

**EMAY İNŞAAT TAAHHÜT SANAYİ VE
TİCARET ANONİM ŞİRKETİ, ITS SUBSIDIARIES
AND JOINT OPERATIONS
CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
FOR THE PERIOD ENDED
AT 31 DECEMBER 2015**

CONTENTS	PAGE
Independent Auditors' Report	1-2
Consolidated Balance Sheets	3-4
Consolidated Statements of Income	5
Consolidated Statement of Other Comprehensive Income	6
Consolidated Statements of Changes in Equity	7
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9-94
NOTE 1 Organization And Nature of Activities.....	9-11
NOTE 2 Basis of The Consolidated Financial Statements.....	11-32
NOTE 3 Business Mergers Subject to Common Control.....	32
NOTE 4 Shares in Other Companies.....	33-34
NOTE 5 Related Party Transactions	35-38
NOTE 6 Cash and Cash Equivalents.....	38-39
NOTE 7 Financial Investments.....	40
NOTE 8 Financial Borrowings.....	41-48
NOTE 9 Trade Receivables and Payables.....	49-52
NOTE 10 Other Receivables and Payables.....	52-54
NOTE 11 Payables from Employee Benefits.....	55
NOTE 12 Inventories.....	55
NOTE 13 Prepaid Expenses and Deferred Income.....	56-57
NOTE 14 Investment Properties.....	58
NOTE 15 Tangible Fixed Assets.....	59-60
NOTE 16 Intangible Fixed Assets.....	60
NOTE 17 Provisions, Contingent Assets and Liabilities.....	61-64
NOTE 18 Commitments	65
NOTE 19 Provisions for Employee Benefits.....	66
NOTE 20 Other Assets and Liabilities	67
NOTE 21 Derivative Instruments.....	67
NOTE 22 Shareholders Equity, Reserves and Other Equity Components.....	68-70
NOTE 23 Sales and Cost of Sales.....	71
NOTE 24 General Administrative Expenses and Marketing Expenses.....	72
NOTE 25 Expenses According to Qualifications.....	72-73
NOTE 26 Increase in Value of investment Properties.....	73
NOTE 27 Other Operating Income / (Expenses).....	73-74
NOTE 28 Investment Activities Income / (Expenses).....	74
NOTE 29 Finance Income / (Expenses).....	75
NOTE 30 Tax Assets and Liabilities.....	76-78
NOTE 31 Earnings Per Share.....	79
NOTE 32 Exposure to Financial Risks Due to Financial Instruments.....	79-91
NOTE 33 Financial Instruments (Fair Value Disclosures and Hedge Accounting Disclosures).....	91-94
NOTE 34 Post Balance Sheet Events.....	94
NOTE 35 Other issues Affecting The Consolidated Financial Statements Significantly or Required to be Disclosed For Clear Understandable and interpretable Presentation	94

INDEPENDENT AUDITORS' REPORT

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

Independent Auditors' Report to the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Emay İnşaat Taahhüt Sanayi ve Ticaret Anonim Şirketi, its subsidiaries and joint operations ("Group") which comprise the consolidated balance sheet as of 31 December 2015 and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Managements' Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

The Reasons of Qualified Opinion

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

Qualified Opinion

In our opinion, except the subject on the reasons of qualified opinion paragraph the accompanying consolidated financial statements present fairly, in all material respects, the financial positions of Emay İnşaat Taahhüt Sanayi ve Ticaret Anonim Şirketi, its subsidiaries and joint operations as of 31 December 2015 and of its real operating results, change in share capital and cash flow, from the point of important matter, for the accounting year then ended in accordance with International Financial Reporting Standards issued by International Accounting Standards Board.

Reports on Other Responsibilities Arising from Regulatory Requirements

In accordance with subparagraph 4, Article 402 of the TCC, except the subjects on the reasons of qualified opinion paragraph no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2015 and financial statements are not in compliance with the code and provisions of the Group's articles of association in relation to financial reporting.

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

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


Dr. Ali Yürüdü
Managing Partner

Istanbul, 22 February 2016

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS
CONSOLIDATED BALANCE SHEETS AS OF
31 DECEMBER 2015, 2014 AND 2013
(Currency – Turkish Lira unless otherwise expressed.)

		Current Period Audited	Prior Period Audited	Prior Period Audited
	Footnote References	31.12.2015	31.12.2014	31.12.2013
ASSETS				
Current Assets		359,519,932	320,871,865	343,248,756
Cash and Cash Equivalents	6	97,224,766	59,890,642	28,015,522
Financial Investments	7	29,686,255	15,830,629	-
Trade Receivables	9	25,902,640	25,939,537	33,353,369
- Trade receivables from related parties		2,210,424	-	-
- Trade receivables from other parties		23,692,216	25,939,537	33,353,369
Other Receivables	10	51,576,555	54,587,073	59,087,509
- Other receivables from related parties		6,889,428	9,686,251	41,318,753
- Other receivables from other parties		44,687,127	44,900,822	17,768,756
Inventories	12	135,194,090	157,116,449	197,952,391
Derivative Instruments	21	6,371,069	-	-
Prepaid Expenses	13	3,389,045	277,575	1,817,600
Assets Relevant to Current Period Taxes	30	1,325,029	38,758	103,016
Other Current Assets	20	8,850,483	7,191,202	22,919,349
Non - Current Assets		1,396,273,191	975,052,552	671,211,627
Trade Receivables	9	22,177,806	19,508,659	19,263,727
- Trade receivables from related parties		-	-	-
- Trade receivables from other parties		22,177,806	19,508,659	19,263,727
Other Receivables	10	47,896,792	51,219,151	51,579,078
- Due from related parties		-	16,675,928	18,568,492
- Due from other parties		47,896,792	34,543,223	33,010,586
Financial Investments	7	46,954,891	53,836,371	-
Inventories	12	93,325,440	42,388,985	13,171,446
Investment Properties	14	998,045,000	677,163,000	460,751,677
Tangible Fixed Assets	15	75,059,833	70,065,991	62,585,701
Intangible Fixed Assets	16	3,093	9,753	17,111
Prepaid Expenses	13	17,355,362	-	-
Deferred Tax Assets	30	42,327,270	9,990,299	18,764,652
Other Non-Current Assets	20	53,127,704	50,870,343	45,078,235
TOTAL ASSETS		1,755,793,123	1,295,924,417	1,014,460,383

The explanatory notes are an integral part of these statements.

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS
CONSOLIDATED BALANCE SHEETS AS OF
31 DECEMBER 2015, 2014 AND 2013
(Currency – Turkish Lira unless otherwise expressed.)

	Footnote References	Current Period Audited 31.12.2015	Prior Period Audited 31.12.2014	Prior Period Audited 31.12.2013
LIABILITIES				
Current Liabilities		335,094,021	304,406,493	301,561,545
Financial Borrowings	8	69,643,463	84,318,084	83,099,093
Current Installment of Long Term Financial Borrowings	8	206,159,305	149,333,409	94,947,004
Trade Payables	9	16,547,986	33,580,113	89,098,781
- Due to related parties		226,693	211,015	-
- Due to other parties		16,321,293	33,369,098	89,098,781
Employee Benefit Liabilities	11	757,758	690,405	1,294,203
Other Payables	10	24,299,448	25,365,790	5,338,471
- Due to related parties		9,862,388	-	-
- Due to other parties		14,437,060	25,365,790	5,338,471
Deferred Income	13	17,011,873	10,878,556	21,975,700
Current Tax Liabilities	30	-	-	5,662,650
Current Provisions		674,188	240,136	145,643
- Provision for employee benefits	19	-	-	12,053
- Other current provisions	17	674,188	240,136	133,590
Non-Current Liabilities		944,598,372	617,974,836	414,228,220
Financial Borrowings	8	728,126,277	488,543,885	327,482,322
Trade Payables	9	-	3,498,436	3,548,225
- Due to related parties		-	-	-
- Due to other parties		-	3,498,436	3,548,225
Other Payables	10	496,115	312,552	6,515,738
- Due to related parties		-	-	-
- Due to other parties		496,115	312,552	6,515,738
Deferred Income	13	170,115,464	101,646,251	55,266,860
Non-Current Provisions	19	563,005	250,762	336,737
- Provision for employee benefits		563,005	250,762	336,737
Deferred Tax Liabilities	30	45,297,511	23,722,950	21,078,338
SHAREHOLDERS' EQUITY		476,100,730	373,543,088	298,670,618
Parent Company's Equity		447,906,827	353,054,552	277,618,543
Paid In Capital	22.1	163,000,000	113,000,000	10,000,000
Inflationary Adjustments of Shareholder's Equity	22.2	421,267	421,267	421,267
Other Comprehensive Income or Expense				
Not to Be Reclassified on Profit or Loss				
- Actuarial gains/losses on defined benefit plans	22.3	65,681	87,486	(6,258)
- Revaluation of Tangible Fixed Assets	22.4	43,754,655	38,115,926	30,666,920
Effect of Business Mergers Subject to Common Control	3	(122,281,011)	(72,591,088)	(72,591,088)
Restricted Reserves	22.5	8,076,472	8,076,472	-
Retained Earnings (Losses)	22.6	215,944,489	198,051,230	241,304,154
Net Profit / (Loss) for the Period		138,925,274	67,893,259	67,823,548
Minority Interests	22.7	28,193,903	20,488,536	21,052,075
TOTAL EQUITY		1,755,793,123	1,295,924,417	1,014,460,383

The explanatory notes are an integral part of these statement.

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS
CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013
(Currency – Turkish Lira unless otherwise expressed.)

		Current Period Audited	Prior Period Audited	Prior Period Audited
	Footnote References	01.01.- 31.12.2015	01.01.- 31.12.2014	01.01.- 31.12.2013
OPERATING ACTIVITIES				
Sales	23.1	68,715,557	193,174,016	337,583,318
Cost of Sales (-)	23.2	(40,180,410)	(146,897,317)	(258,002,988)
GROSS PROFIT / (LOSS)		28,535,147	46,276,699	79,580,330
General Administrative Expenses (-)	25.1	(10,787,292)	(9,287,124)	(7,369,394)
Marketing Expenses (-)	25.2	(5,712,801)	(2,791,840)	(3,683,351)
Revaluation of Investment Properties	26	285,297,623	119,163,640	62,834,693
Other Operating Income	27	9,621,832	7,639,093	5,925,522
Other Operating Expenses (-)	27	(15,717,698)	(16,083,607)	(13,949,858)
OPERATING PROFIT/ (LOSS)		291,236,811	144,916,861	123,337,942
Investment Activities Income	28	10,885,111	2,339,227	2,419,093
Investment Activities Expenses (-)	28	-	-	(27,782)
OPERATING ACTIVITY PROFIT / (LOSS) BEFORE FINANCIAL INCOME / (EXPENSE)		302,121,922	147,256,088	125,729,253
Financial Income	29	65,066,260	2,704,166	5,963,826
Financial Expenses (-)	29	(233,190,677)	(72,858,977)	(67,423,114)
OPERATING ACTIVITY PROFIT / (LOSS) BEFORE TAXATION		133,997,505	77,101,277	64,269,965
Operating Activity Tax Income / (Expense)		11,003,520	(10,941,015)	3,969,014
Current Tax (Expense) / Income	30	-	-	(5,662,650)
Deferred Tax (Expense) / Income	30	11,003,520	(10,941,015)	9,631,664
INCOME / (LOSS) FOR THE PERIOD		145,001,025	66,160,262	68,238,979
Profit / (Loss) Distribution				
Minority Interests	22.7	6,075,751	(1,732,997)	415,431
Parent Company's Share	31	138,925,274	67,893,259	67,823,548
Earnings Per Share	31	1.06	5.80	6.82

The explanatory notes are an integral part of these statements.

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS
CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013
(Currency – Turkish Lira unless otherwise expressed)

		Current Period Audited	Prior Period Audited	Prior Period Audited
	Footnote References	01.01.- 31.12.2015	01.01.- 31.12.2014	01.01.- 31.12.2013
PROFIT / (LOSS) FOR THE PERIOD		145,001,025	66,160,262	68,238,979
<i>OTHER COMPREHENSIVE INCOME / (LOSS)</i>				
Not to Be Reclassified on Profit or Loss		7,261,463	8,712,208	3,339,377
Defined benefit plans remeasurement gains/(losses)	19	(30,722)	122,932	53,859
Changes in Revaluation of Tangible Fixed Assets	15	7,669,516	9,067,226	3,469,780
Taxes in Other Comprehensive Income Not to Be Reclassified to Profit or Loss				
- Deferred Tax Expense / Income	30	(377,331)	(477,950)	(184,262)
OTHER COMPREHENSIVE INCOME / (EXPENSE)		7,261,463	8,712,208	3,339,377
TOTAL COMPREHENSIVE INCOME / (EXPENSE)		152,262,488	74,872,470	71,578,356
<i>Distribution of Total Comprehensive Income / (Expense)</i>				
Minority Interests		7,720,290	(563,539)	582,440
Parent Company's Shares		144,542,198	75,436,009	70,995,916

The explanatory notes are an integral part of these statements.

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013
(Currency – Turkish Lira unless otherwise expressed.)

	Footnote References	Paid In Capital	Adjustment of Shareholders' Equity	Accumulated Other Comprehensive Income Not to Be Reclassified on Profit or Loss		Effect of Business Mergers Subject to Common Control	Restricted Reserves	Accumulated Profit /(Losses)		Parent Company's Equity	Minority Interests	Total Shareholder's Equity
				Defined Benefit Plans Remeasurement Gains / (Losses)	Revaluation Reserve for the Tangible Fixed Assets			Retained Earnings / (Losses)	Net Profit/ (Loss) For The Period			
Balances at 31 December 2012		10,000,000	421,267	(43,389)	27,531,683	(72,591,088)	-	207,811,111	33,493,043	206,622,627	20,469,635	227,092,262
Transfer from retained earnings		-	-	-	-	-	-	33,493,043	(33,493,043)	-	-	-
Total comprehensive income / (expense), net		-	-	37,131	3,135,237	-	-	-	67,823,548	70,995,916	582,440	71,578,356
Balances at 31 December 2013		10,000,000	421,267	(6,258)	30,666,920	(72,591,088)	-	241,304,154	67,823,548	277,618,543	21,052,075	298,670,618
<i>Capital increase</i>												
- Transfer	22.1	103,000,000	-	-	-	-	-	(103,000,000)	-	-	-	-
Transfer from retained earnings	22.5	-	-	-	-	-	8,076,472	59,747,076	(67,823,548)	-	-	-
Total comprehensive income / (expense), net		-	-	93,744	7,449,006	-	-	-	67,893,259	75,436,009	(563,539)	74,872,470
Balances at 31 December 2014		113,000,000	421,267	87,486	38,115,926	(72,591,088)	8,076,472	198,051,230	67,893,259	353,054,552	20,488,536	373,543,088
<i>Capital increase</i>												
- Transfer	22.1	50,000,000	-	-	-	-	-	(50,000,000)	-	-	-	-
Transfer from retained earnings	22.5	-	-	-	-	-	-	67,893,259	(67,893,259)	-	-	-
Effect of Business Mergers Subject to Common Control		-	-	-	-	(49,689,923)	-	-	-	(49,689,923)	(14,923)	(49,704,846)
Total comprehensive income / (expense), net		-	-	(21,805)	5,638,729	-	-	-	138,925,274	144,542,198	7,720,290	152,262,488
Balances at 31 December 2015		163,000,000	421,267	65,681	43,754,655	(122,281,011)	8,076,472	215,944,489	138,925,274	447,906,827	28,193,903	476,100,730

The explanatory notes are an integral part of these statements.

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013
(Currency – Turkish Lira unless otherwise expressed.)

	Footnote References	Current Period Audited 01.01.- 31.12.2015	Prior Period Audited 01.01.- 31.12.2014	Prior Period Audited 01.01.- 31.12.2013
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit / (loss) for the period		(135,545,112)	(34,933,639)	(124,560,964)
Adjustments to Reconcile Net Profit / (Loss) for the Period				
Tangible Fixed Assets Amortization	15	1,769,390	1,830,818	1,560,864
Intangible Fixed Assets Depreciation	16	6,660	7,358	9,127
Adjustment Related to Retirement Pay Provision	19 - 22.3	312,243	(98,028)	147,560
Interest Accruals of Bank Borrowings	8	19,141,885	6,459,205	5,018,408
Revaluation of Investment Properties	26	(285,297,623)	(119,163,640)	(62,834,693)
Adjustment to Provision for Expenses and Lawsuits	17	434,052	170,856	54,280
Adjustment to Provision for Doubtful Receivables	25.1	767,765	1,529,569	572,634
Adjustment to Unearned Interest on Receivables	27	(10,189,993)	(9,304,109)	(7,357,019)
Adjustment to Unearned Interest on Payables	27	8,192,047	7,418,352	5,462,223
Adjustment to Tax	30	(11,003,520)	10,941,015	(9,631,664)
Adjustments to Derivative Instruments	21	(6,371,069)	-	-
Deferred Taxes Accounted under Equity	30	241,110	477,950	184,262
Changes in Operating Assets and Liabilities				
Changes in Trade Receivables	9	6,789,978	14,943,440	(21,988,201)
Changes in Other Receivables	10	6,332,877	4,860,363	12,100,947
Changes in Inventories	12	(29,014,096)	11,618,403	59,841,848
Changes in Other Assets	20	(26,397,308)	11,579,080	49,245,101
Changes in Trade Payables	9	(28,722,610)	(62,986,809)	32,397,502
Changes in Other Payables	10 -11 - 13	73,787,104	18,737,397	(257,041,096)
Changes in Current Provisions	17 - 19	-	(76,363)	(439,010)
Cash Flow From Operating Activities				
Taxes Paid	30	(1,325,029)	(38,758)	(103,016)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Cash from Purchasing of Tangible and Intangible Assets and Investment Properties	14 - 15 - 16	(44,410,710)	(74,934,289)	(130,788,179)
Cash from Selling of Tangible and Intangible Assets and Investment Properties	14 - 15 - 16	10,682,617	32,836	185,480
Effect of Business Mergers Subject to Common Control	3	(49,689,923)	-	-
Changes in minority interests	22.7	1,629,616	1,169,458	582,440
Additions from Acquisition of Subsidiary	14	(950,000)	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES				
Changes in financial investment	7	(6,974,146)	(69,667,000)	-
Changes in borrowings	8	262,591,782	210,207,754	188,445,577
NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS (A+B+C)				
		37,334,124	31,875,120	(66,135,646)
D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD				
		59,890,642	28,015,522	94,151,168
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D)				
		97,224,766	59,890,642	28,015,522

The explanatory notes are an integral part of these financial statements.

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013
(Currency is in Turkish Lira ‘TRY’ unless expressed otherwise)

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

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

Emay İnşaat Taahhüt Sanayi ve Anonim Şirketi

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

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

As of report date, The Company continues the construction of Kent Plus Kadıköy residence project which is stated to summary information is as bellow;

Kent Plus Kadıköy that is located on 27,000 m2 land in Kadıköy/İstanbul, consist of 3 blocks which each of them has ground and 25 floors. As of the report date excavation works has been completed and construction works are in progress. The project is targeted to be completed in 2017 according to Company’s management declaration.

In addition, as of report date there are two project which were signed by the Company but not started to excavation work yet. Summary information about related projects are stated in Note 18 and Note 34.

For the period ended at 31 December 2015, the average personnel number of the Company is 131 (31 December 2014: 304, 31 December 2013: 454).

As of 31 December 2015, 2014 and 2013 partnership structure of the Company is presented in Note 22.1

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

Head Office:

Turan Güneş Bulvarı Gata1 İş Merkezi 32/11 Çankaya / Ankara

Istanbul Office:

Değirmenyolu Caddesi Çetinkaya Sokak 18/4 Ataşehir - İstanbul

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

Kent Toplu Konut İnşaat Gayrimenkul Ticaret Anonim Şirketi

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

For the period ended at 31 December 2015, the average personnel number employed by Kent Toplu is 63 (31 December 2014: 66, 31 December 2013:79).

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

As of 31 December 2015, 2014 and 2013, the shareholders of Kent Toplu are as follows;

	31.12.2015		31.12.2014		31.12.2013	
	Share		Share		Share	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Emay İnşaat Taahhüt Sanayi ve Ticaret Anonim Şirketi	3,500,000	70.00%	3,500,000	70.00%	3,500,000	70.00%
Hakan Çağlar	750,000	15.00%	750,000	15.00%	750,000	15.00%
Yusuf Gören	525,000	10.50%	525,000	10.50%	525,000	10.50%
Burak Gören	220,000	4.40%	220,000	4.40%	220,000	4.40%
Yakup Aday	2,500	0.05%	2,500	0.05%	2,500	0.05%
Ahmet Alper	2,500	0.05%	2,500	0.05%	2,500	0.05%
	5,000,000	100%	5,000,000	100%	5,000,000	100%

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

Değirmenyolu Caddesi Çetinkaya Sokak 18/4 Ataşehir – İstanbul

Kent İnşaat ve Maslak Yapı Ortak Girişimi

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

For the period ended at 31 December 2015, The Company has not employed any personnel (31 December 2014: 0, 31 December 2013:47).

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

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

Değirmenyolu Caddesi Çetinkaya Sokak 18/4 Ataşehir – İstanbul

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013
(Currency is in Turkish Lira ‘TRY’ unless expressed otherwise)

Kent İnşaat ve İpek İnşaat Ortak Girişimi

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

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

For the period ended at 31 December 2015, The Company has not employed any personnel (31 December 2014: 0, 31 December 2013:24).

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

Değirmenyolu Caddesi Çetinkaya Sokak 18/4 Ataşehir – İstanbul

Butol İnşaat Turizm Savunma Sanayi ve Ticaret Anonim Şirketi

Butol İnşaat Turizm Savunma Sanayi ve Ticaret Anonim Şirketi (“Butol İnşaat”), was established in 2001 in Ankara. The main activity of the Company is buying or construct all kind of facilities related to tourism, engage in estate activities at domestic and overseas, obtaining buildings and their rights, operating, renting and hotel management. In addition, the Company provides consultancy services about building, architecture, electricity, plumbing and machinery projects.

There is no ongoing projects of Butol İnşaat Turizm Savunma Sanayi ve Ticaret Anonim Şirketi as of the report date.

For the period ended at 31 December 2015, The Company has not employed any personnel.

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

Güvenlik Caddesi No:88/28 Çankaya/Ankara

NOTE 2 – BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.a Basis of Presentation

Compatibility Statement

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

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013
(Currency is in Turkish Lira ‘TRY’ unless expressed otherwise)

The Preparation of Consolidated Financial Statements

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

Financial Statements Correction in High Inflation Period

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

Currency

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

Approval of Consolidated Financial Statements

Consolidated financial statements of the Group are approved by the Board of Directors and granted authority to publish on 22 February 2016. The Board of Directors and some regulative agencies have the right to change the financial statements that were prepared according to legal regulations after they have been published.

Basis of Consolidation

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

Complete consolidation method

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013

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

- All significant intercompany transactions and balances between the Parent Company and the subsidiaries have been comparatively eliminated.
- The minority part of shareholders' equity including paid capital of the companies subject to consolidation is classified as "Minority Interest" in accompanying financial statement.
- The income statements of the Parent Company and the subsidiaries are consolidated a line by line basis and the transaction between companies are eliminated mutually. Consolidation of income statements of subsidiaries held in an audit period are based on the investment date and the items after the holding date.

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

Proportionate Consolidation Method

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

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

As of 31 December 2015, 2014, 2013 the company that are subject to "Complete Consolidation Method" if directly or indirectly 50% or more than 50% of their shares or over 50% of their voting rights or the controlling rights regarding companies' operations are belonging to the Parent Company are as below;

	31 December 2015		
	Ownership of the Parent Company through subsidiary		Minority Interests
Subsidiaries	(Direct)	(Direct + Indirect)	
Kent Toplu Konut İnşaat Gayrimenkul Ticaret Anonim Şirketi	70.00%	70.00%	30.00%
Butol İnşaat Turizm Savunma Sanayi ve Ticaret Anonim Şirketi	50.00%	50.00%	50.00%

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013

(Currency is in Turkish Lira ‘TRY’ unless expressed otherwise)

31 December 2014 and 31 December 2013

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

As of 31 December 2015, 2014 and 2013, the joint activities that are subject to “proportionate consolidation” with the agreement of parties that have joint control and Parent Company as directly or indirectly are as follows;

31 December 2015, 2014 and 2013

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

The New International Financial Reporting Standards, Amendments

The accounting policies adopted in preparation of the condensed financial statements as at 31 December 2015 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and TFRIC interpretations effective as of 1 January 2015.

The new standards, amendments and interpretations which are effective as at 1 January 2015

IAS 19 Defined Benefit Plans: Employee Contributions (Amendment)

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. The amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service.

Annual Improvements to IAS/IFRS

In September 2014, Public Oversight Authority (POA) has issued the below amendments to the standards in relation to “Annual Improvements 2010-2012 Cycle” and “Annual Improvements 2011-2013 Cycle.”

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

Annual Improvements -2010–2012 Cycle

IFRS 2 Share-based Payment

Definitions relating to vesting conditions have changed and performance condition and service condition are defined in order to clarify various issues

IFRS 3 Business Combinations

Contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of IFRS 39 (or IFRS 9, as applicable) Financial Instruments. The amendment is effective for business combinations prospectively.

IFRS 8 Operating Segments

The changes are as follows:

- i) An entity must disclose the judgments made by management in applying the aggregation criteria in IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.
- ii) The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment to IAS 16.35(a) and IAS 38.80(a) clarifies that revaluation can be performed, as follows:

- i) Adjust the gross carrying amount of the asset to market value or
- ii) determine the market value of the carrying amount and adjust the gross carrying amount proportionately so that the resulting carrying amount equals the market value. The amendment is effective retrospectively.

IAS 24 Related Party Disclosures

The amendment clarifies that a management entity – an entity that provides key management personnel services – is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management service.

Annual Improvements - 2011 – 2013 Cycle

IFRS 3 Business Combinations

The amendment clarifies that:

- i) Joint arrangements are outside the scope of IFRS 3, not just joint ventures
- ii) The scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

IFRS 13 Basis for Conclusions on Fair Value Measurement

The portfolio exception in IFRS 13 can be applied to financial assets, financial liabilities and other contracts within the scope of IAS 39 (or IFRS 9, as applicable). The amendment is effective prospectively.

IAS 40 Investment Properties

The amendment clarifies the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

IFRS standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the condensed financial statements are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting the financial statements and disclosures, when the new standards and interpretations become effective.

IFRS 9 Financial Instruments – Classification and measurement

As amended in December 2012 and February 2015, the new standard is effective for annual periods beginning on or after 01 January 2018, with early adoption permitted. Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial instruments. The amendments made to IFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option (FVO) liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income.

IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38)

The amendments to IAS 16 and IAS 38, have prohibited the use of revenue-based depreciation for property, plant and equipment and significantly limiting the use of revenue-based amortization for intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 01, 2016. Earlier application is permitted.

IFRS 11 – Acquisition of an Interest in a Joint Operation (Amendment)

IFRS 11 is amended to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. This amendment requires the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3 Business Combinations, to apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs except for those principles that conflict with the guidance in this IFRS. In addition, the acquirer shall disclose the information required by IFRS 3 and other IFRSs for business combinations. These amendments are to be applied prospectively for annual periods beginning on or after 01 January 2016. Earlier application is permitted.

IAS 27 – Equity Method in Separate Financial Statements -Amendments to IAS 27

In April 2015, POA issued an amendment to IAS 27 to restore the option to use the equity method to account for investments in subsidiaries and associates in an entity's separate financial statements. Therefore, an entity must account for these investments either:

- i) At cost
- ii) In accordance with IFRS 9 or
- iii) Using the equity method in accordance with IAS 28

The entity must apply the same accounting for each category of investments. The amendment is effective for annual periods beginning on or after January 1, 2016. The amendments must be applied retrospectively. Early application is permitted and must be disclosed.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)

In February 2015, amendments issued to IFRS 10 and IAS 28, to address the acknowledged inconsistency between the requirements in IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture, to clarify that an investor recognizes a full gain or loss on the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture. The gain or loss resulting from the re-measurement at fair value of an investment retained in a former subsidiary should be recognized only to the extent of unrelated investors' interests in that former subsidiary. An entity shall apply those amendments prospectively to transactions occurring in annual periods beginning on or after January 01, 2016. Earlier application is permitted.

IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 and IAS 28)

In February 2015, amendments issued to IFRS 10, IFRS 12 and IAS 28, to address the issues that have arisen in applying the investment entities exception under IFRS 10 Consolidated Financial Statements. The amendments are applicable for annual periods beginning on or after 01 January 2016. Earlier application is permitted.

IAS 1: Disclosure Initiative (Amendments to IAS 1)

In February 2015, amendments issued to IAS 1. Those amendments include narrow-focus improvements in the following five areas: Materiality, Disaggregation and subtotals, Notes structure, Disclosure of accounting policies, Presentation of items of other comprehensive income (OCI) arising from equity accounted investments. The amendments are applicable for annual periods beginning on or after 01 January 2016. Earlier application is permitted.

Annual Improvements - 2012–2014 Cycle

In February 2015, IASB issued their annual cycle of improvements to IFRS's, Annual Improvements to IFRSs 2012-2014 Cycle. The document sets out five amendments to four standards, excluding those standards that are consequentially amended, and the related Basis for Conclusions. The standards affected and the subjects of the amendments are:

- i) IFRS 5 Non-current Assets Held for Sale and Discontinued Operations – clarifies that changes in methods of disposal (through sale or distribution to owners) would not be considered a new plan of disposal, rather it is a continuation of the original plan
- ii) IFRS 7 Financial Instruments: Disclosures – clarifies that i) the assessment of servicing contracts that includes a fee for the continuing involvement of financial assets in accordance with IFRS 7; ii) the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report .
- iii) IAS 19 Employee Benefits – clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located.
- iv) IAS 34 Interim Financial Reporting –clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report

The amendments are effective for annual periods beginning on or after January 01, 2016, with earlier application permitted.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

The following standards, interpretations and amendments to existing IFRS standards are issued by the IASB but not yet effective up to the date of issuance of the financial statements. However, these standards, interpretations and amendments to existing IFRS standards are not yet adapted/issued by the POA, thus they do not constitute part of IFRS. The Company will make the necessary changes to its financial statements after the new standards and interpretations are issued and become effective under IFRS.

Annual Improvements - 2010 – 2012 Cycle

IFRS 13 Fair Value Measurement

As clarified in the Basis for Conclusions short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial.

Annual Improvements - 2011–2013 Cycle

IFRS 15 - Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers. The new five-step model in the standard provides the recognition and measurement requirements of revenue. The standard applies to revenue from contracts with customers and provides a model for the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., the sale of property, plant and equipment or intangibles). IFRS 15 original effective date was January 01, 2017. However, in September 2015, IASB decided to defer the effective date to reporting periods beginning on or after January 01, 2018, with early adoption permitted. Entities will transition to the new standard following either a full retrospective approach or a modified retrospective approach. The modified retrospective approach would allow the standard to be applied beginning with the current period, with no restatement of the comparative periods, but additional disclosures are required.

IFRS 9 Financial Instruments - Final standard (2014)

In July 2014 the IASB published the final version of IFRS 9 Financial Instruments. The final version of IFRS 9 brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 9 Financial Instruments: Recognition and Measurement. IFRS 9 is built on a logical, single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. Built upon this is a forward-looking expected credit loss model that will result in more timely recognition of loan losses and is a single model that is applicable to all financial instruments subject to impairment accounting. In addition, IFRS 9 addresses the so-called 'own credit' issue, whereby banks and others book gains through profit or loss as a result of the value of their own debt falling due to a decrease in credit worthiness when they have elected to measure that debt at fair value. The Standard also includes an improved hedge accounting model to better link the economics of risk management with its accounting treatment. IFRS 9 is effective for annual periods beginning on or after January 01, 2018. However, the Standard is available for early application. In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

IFRS 16 Leases

In January 2016, the IASB has published a new standard, IFRS 16 'Leases'. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 supersedes IAS 17 'Leases' and related interpretations and is effective for periods beginning on or after January 01, 2019, with earlier adoption permitted if IFRS 15 'Revenue from Contracts with Customers' has also been applied.

IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrealized Losses (Amendments)

In January 2016, the IASB issued amendments to IAS 12 Income Taxes. The amendments clarify how to account for deferred tax assets related to debt instruments measured at fair value. The amendments clarify the requirements on recognition of deferred tax assets for unrealized losses, to address diversity in practice. These amendments are to be retrospectively applied for annual periods beginning on or after 01 January 2017.

Earlier application permitted. However, on initial application of the amendment, the change in the opening equity of the earliest comparative period may be recognized in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity.

IAS 7 Statement of Cash Flows (Amendments)

In January 2016, the IASB issued amendments to IAS 7 'Statement of Cash Flows'. The amendments are intended to clarify IAS 7 to improve information provided to users of financial statements about an entity's financing activities. The improvements to disclosures require companies to provide information about changes in their financing liabilities. These amendments are to be applied for annual periods beginning on or after 01 January 2017 with earlier application permitted.

Offsetting

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

Going Concern

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

2.b Changes in Accounting Policies

A company only could change its accounting policy under following circumstances;

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

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

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013
(Currency is in Turkish Lira ‘TRY’ unless expressed otherwise)

Changes in Accounting Estimates and Errors

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

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

Provision for doubtful receivables

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

Long term VAT deductible

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

Recognition of allowance income

On the accounting process of the allowance incomes related to construction contracts, percental completion rate method has been used, and total estimated cost and revenue of the projects is determined within IAS 11 ”Construction Contracts” in order to calculation of the total estimated cost rate of the contracts to the accrued contract costs till a specified time (Note 23).

Useful lifetime of tangible and intangible assets

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

Fair value measurement for the land and buildings

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

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013
(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

Provisions for litigation

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

Severance pay provision

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

Deferred Tax

The Group recognizes deferred tax on the temporary timing differences between the carrying amounts of assets and liabilities in the financial statements prepared in accordance with IFRS and statutory financial statements which is used in the computation of taxable profit. The related differences are generally due to the timing difference of the tax base of some income and expense items between statutory and IFRS financial statements. The Group has deferred tax assets resulting from tax loss carry-forwards and deductible temporary differences, which could reduce taxable income in the future periods. All or partial amounts of the realizable deferred tax assets are estimated in current circumstances. The main factors which are considered include future earnings potential; cumulative losses in recent years; history of loss carry-forwards and other tax assets expiring, the carry-forward period associated with the deferred tax assets, future reversals of existing taxable temporary differences that would, if necessary, be implemented, and the nature of the income that can be used to realize the deferred tax asset. As a result of the revaluation, as of 31 December 2015, 2014, 2013 temporary differences due to tax incentives can be foreseen and the fraction falls in continuity of tax incentives within the context of tax legislations, can be benefited from and is to be tax assets and accounted. As of balance sheet date, the details regarding deferred tax calculations are stated in Note 30.

2.c Summary of Significant Accounting Policies

Cash and Cash Equivalents

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

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013
(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

Financial Investments

Initial measurements of financial asset and financial liabilities

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

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

Subsequent measurement of financial assets

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

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

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

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

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

Held-to maturity investments

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

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

Available-for-sale financial assets

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

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013
(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

Derivative financial assets and hedging instruments

The Group's derivative financial instruments consists of transactions related to swap agreements. The Group's, derivative transactions for the risk manage of foreign exchange, the fair value of derivatives for operations which is maturity date isn't due yet, fair valuation of these operations based on fair market price and the fair value of operations shown in balance sheet as asset or liability. The Group, reflects fair value difference of derivative financial instruments its consolidated income statements

Financial Borrowings

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

Trade Receivables and Payables

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

Provision for Doubtful Receivables

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

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

Inventories

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

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

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

Tangible Fixed Assets

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

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

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

Intangible Fixed Assets

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

Investment Properties

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

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013
(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

Fair Value Measurement

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

Level 1: For identical assets or liabilities in active markets (unadjusted) prices;

Level 2: Data which are observable in terms of assets and liabilities directly (with the help of prices) or indirectly (thereby reproduce from prices) and data except recorded price in level 1.

Level 3: Asset or liability is not based on observable market data in relation to the data (no observable data).

Financial Leases

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

Impairment of Assets

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

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All of the other borrowing costs are recorded in the income statement in the period in which they are incurred. For the period ended at 31 December 2015, amounting to TRY 5,812,287 borrowing costs are added to the residence project inventories which is recognized as qualifying asset. (01 January - 31 December 2014: TRY 5,995,402 and 01 January - 31 December 2013:TRY 9,458,725).

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

Effects of Change in Currency Rate

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

Construction Contract

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

Taxes on Income

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

Current Tax Provision

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

Deferred tax

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

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

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

(Currency is in Turkish Lira ‘TRY’ unless expressed otherwise)

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

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

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

Business Mergers Subject to Common Control

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

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

Provisions, Contingent Liabilities and Assets

Provisions

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

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013
(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

Contingent liabilities and assets

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

Renting Transactions

Group – As renter

Financial Leasing

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

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

Operating Leases

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

Income Accruals

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

Related Parties

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

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

(i) Controls, is controlled by, or is under common control with, the Group (this includes parents, subsidiaries and fellow subsidiaries);

(ii) Has an interest in the Group that gives it significant influence over the Group; or

(iii) Has joint control over the Group;

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013

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

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

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

Foreign Currency Assets and Liabilities

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

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

	31.12.2015	31.12.2014	31.12.2013
USD	2.9076	2.3189	2.1343
EUR	3.1776	2.8207	2.9365

Severance Pay Provision / Employee Benefits

Severance Pay

Under Turkish Labor Law, Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who retires in accordance with social insurance regulations or is called up for military service or dies. As of 31 December 2015 payments are calculated on the basis of 30 days' pay limited to a maximum of TRY 3,828 (31 December 2014 and 2013: TRY 3,438 – 3,254) per year of employment at the rate of pay applicable at the date of retirement.

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

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

	31 December 2015	31 December 2014	31 December 2013
Rediscount rate	13.35 %	14.24%	12.55%
Inflation rate	8.81%	8.17%	7.00%
Real discount rate	4.17%	5.61%	5.19%

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013
(Currency is in Turkish Lira ‘TRY’ unless expressed otherwise)

Social Insurance Premium

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

Dividends

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

Paid in Capital

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

Government Incentive and Grants

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

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

Post Balance Sheet Events

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

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

Earnings Per Share

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013

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

Revenue

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

Selling of Houses

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

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

Sales of goods

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

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

Rendering of services

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

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

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013
(Currency is in Turkish Lira ‘TRY’ unless expressed otherwise)

Interest income

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

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

Cash Flow Statement

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

NOTE 3 – BUSINESS MERGERS SUBJECT TO COMMON CONTROL

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

For the period ended at 31 December 2015 details of business mergers subject to common control is as follow;

Emay İnşaat Taahhüt Sanayi ve Ticaret Anonim Şirketi (“Emay İnşaat”) acquired 50% shares of the Butol İnşaat Turizm Savunma Sanayi ve Ticaret Anonim Şirketi (“Butol İnşaat”) in 2015 with the amount of TRY 49,675,000 from Hakan Çağlar and Yusuf Gören who are already in partner position. Net assets subjected to transfer are less then acquisition amount with TRY 49,689,923, therefore, related amount has been accounted under “The Effect of Business Mergers Subject to Common Control” in equity.

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

Emay İnşaat Taahhüt Sanayi ve Ticaret Anonim Şirketi (“Emay İnşaat”) acquired 70% shares of the Kent Toplu Konut İnşaat Gayrimenkul Ticaret Anonim Şirketi (“Kent Toplu”) in 2012 with the amount of TRY 92,088,044 from Hakan Çağlar, Yusuf Gören and Burak Gönen who are already in partner position. Net assets subjected to transfer are less then acquisition amount with TRY 72,591,088, therefore, related amount has been accounted under “The Effect of Business Mergers Subject to Common Control” in equity.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013

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

NOTE 4 – SHARES IN OTHER COMPANIES

As of 31 December 2015, 2014 and 2013, the detail of Parent Company's direct or indirect shares in other companies and information of these companies is summarized as follows;

Subsidiaries

	31 December 2015		
	Ownership of the Parent Company through the Subsidiary		Minority Interests
	(Direct)	(Direct + Indirect)	
Kent Toplu Konut İnşaat Gayrimenkul Ticaret Anonim Şirketi	70.00%	70.00%	30.00%
Butol İnşaat Turizm Savunma Sanayi ve Ticaret Anonim Şirketi	50.00%	50.00%	50.00%

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

Joint Operations

	31 December 2015, 2014 and 2013	
	Ownership of the Parent Company through the Joint Activities	
	(Direct)	(Direct + Indirect)
Kent İnşaat ve Maslak Yapı Ortak Girişimi (*)	-	35.00%
Kent İnşaat ve İpek İnşaat Ortak Girişimi (**)	80.00%	80.00%

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

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

Summary financial information of other companies whose shares owned by Parent Company, for the period ended at 31 December 2015, 2014 and 2013 are as follows;

31 December 2015					
Subsidiaries and Joint Operations	Nature of Activities	Total Assets	Total equity	Revenue	Period profit / (loss)
Kent Toplu Konut İnşaat Gayrimenkul Ticaret Anonim Şirketi	Property and gym management	88,826,495	70,714,732	4,129,957	(891,926)
Butol İnşaat Turizm Savunma Sanayi ve Ticaret Anonim Şirketi	Property sector	56,189,351	12,677,771	-	12,707,618
Kent İnşaat ve Maslak Yapı Ortak Girişimi	Property sector	8,556,028	4,270,641	-	(69,876)
Kent İnşaat ve İpek İnşaat Ortak Girişimi	Property sector	1,941,368	144,698	-	(30,653)
31 December 2014					
Subsidiaries and Joint Operations	Nature of Activities	Total Assets	Total equity	Revenue	Period profit / (loss)
Kent Toplu Konut İnşaat Gayrimenkul Ticaret Anonim Şirketi	Property and gym management	78,916,021	66,124,861	3,924,176	(5,897,230)
Kent İnşaat ve Maslak Yapı Ortak Girişimi	Property sector	10,451,063	4,340,517	853,426	241,147
Kent İnşaat ve İpek İnşaat Ortak Girişimi	Property sector	1,941,175	175,351	-	(2,096)
31 December 2013					
Subsidiaries and Joint Operations	Nature of Activities	Total Assets	Total equity	Revenue	Period profit / (loss)
Kent Toplu Konut İnşaat Gayrimenkul Ticaret Anonim Şirketi	Property and gym management	80,728,429	68,123,895	3,988,312	(534,117)
Kent İnşaat ve Maslak Yapı Ortak Girişimi	Property sector	18,831,920	4,099,370	4,713,986	3,837,771
Kent İnşaat ve İpek İnşaat Ortak Girişimi	Property sector	1,940,847	177,447	-	(3,208)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013
(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

NOTE 5 – RELATED PARTY TRANSACTIONS

i) Due from/to related parties:

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

	31.12.2015	31.12.2014	31.12.2013
Emaytaş Turizm Gayrimenkul Yönetim A.Ş.	2,210,424	-	-
	2,210,424	-	-

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

	31.12.2015	31.12.2014	31.12.2013
Hedef Kentsel Toplu Yapı Yönetim ve İşletme Hizmetleri A.Ş.	226,693	211,015	-
	226,693	211,015	-

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

	31.12.2015	31.12.2014	31.12.2013
Hakan Çağlar	-	725,829	17,422,428
Yusuf Gören	-	643,960	13,109,078
Burak Gören	-	84,269	4,315,270
	-	1,454,058	34,846,776

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

	31.12.2015	31.12.2014	31.12.2013
Maslak Yapı Ltd. Şti.	1,879,243	1,931,394	2,714,008
Butol İnşaat Turizm Savunma Sanayi Ticaret A.Ş.	-	1,739,770	1,469,844
Emaytaş Turizm Gayrimenkul Yönetim A.Ş.	-	1,009,503	465,325
Kent Yapı Yönetim ve İşletme Hizmetleri A.Ş.	3,396,413	1,540,178	391,405
BYG Gıda Turizm Ltd.Şti.	114,750	102,190	77,666
Emay-İpek Ortak Girişimi	355,242	349,375	348,447
Bfa Turizm ve İnşaat Sanayi Ticaret A.Ş.	585,498	530,000	447,000
Gökhan Ayaydın	225,000	225,000	225,000
Other	333,282	804,783	333,282
	6,889,428	8,232,193	6,471,977

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

e) Due to shareholders mentioned below is classified under other short term payables are as follows (Note 10):

	31.12.2015	31.12.2014	31.12.2013
Hakan Çağlar	4,951,417	-	-
Yusuf Gören	4,682,229	-	-
Burak Gören	228,742	-	-
	9,862,388	-	-

f) Due from shareholders mentioned below is classified under long term other receivables are as follows: (Note 10):

	31.12.2015	31.12.2014	31.12.2013
Hakan Çağlar	-	8,337,964	9,284,246
Yusuf Gören	-	6,253,473	6,963,184
Burak Gören	-	2,084,491	2,321,062
	-	16,675,928	18,568,492

ii) Sales, purchases and operations to related parties:

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

	01.01.- 31.12.2015	01.01.- 31.12.2014	01.01.- 31.12.2013
Emaytaş Turizm Gayrimenkul Yönetim Hizmetleri Sanayi ve Ticaret A.Ş.	1,852,667	-	-
Hedef Kentsel Toplu Yapı Yönetim ve İşletme Hizmetleri A.Ş.	12,718	-	-
Bfa Turizm Ve İnşaat Sanayi A.Ş.	-	-	200,000
Byg Gıda İnşaat Sanayi ve Ticaret Limited Şirketi	-	-	600
	1,865,385	-	200,600

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

	01.01.- 31.12.2015	01.01.- 31.12.2014	01.01.- 31.12.2013
Hedef Kentsel Toplu Yapı Yönetim ve İşletme Hizmetleri A.Ş.	2,251,928	3,069,346	1,954,016
Emaytaş Turizm Gayrimenkul Yönetim Hizmetleri Sanayi ve Ticaret A.Ş.	334,431	2,800	-
	2,586,359	3,072,146	1,954,016

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013

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

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

	01.01.- 31.12.2015	01.01.- 31.12.2014	01.01.- 31.12.2013
Byg Gıda İnşaat Sanayi ve Ticaret Limited Şirketi	38,088	-	-
Emaytaş Turizm Gayrimenkul Yönetim A.Ş.	43,462	-	-
Hedef Kentsel Toplu Yapı Yönetim ve İşletme Hizmetleri A.Ş.	-	219,325	-
	81,550	219,325	-

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

	01.01.- 31.12.2015	01.01.- 31.12.2014	01.01.- 31.12.2013
Kent Yapı Yönetim ve İşletme Hizmetleri A.Ş.	306,551	98,231	37,636
Bfa Turizm ve İnşaat Sanayi Ticaret A.Ş.	55,498	-	-
Byg Gıda İnşaat Sanayi ve Ticaret Limited Şirketi	10,945	9,410	8,166
Butol İnşaat Turizm Savunma Sanayi ve Ticaret .A.Ş.	-	154,334	154,548
	372,994	261,975	200,350

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

	01.01.- 31.12.2015	01.01.- 31.12.2014	01.01.- 31.12.2013
Hakan Çağlar	887,548	819,294	1,086,530
Yusuf Gören	497,399	614,470	706,246
Burak Gören	158,483	204,824	271,633
Others	-	-	108,654
	1,543,430	1,638,588	2,173,063

f) Share purchase from shareholders are as follows;

	01.01.- 31.12.2015	01.01.- 31.12.2014	01.01.- 31.12.2013
Hakan Çağlar (Note 3)	24,837,500	-	-
Yusuf Gören (Note 3)	24,837,500	-	-
	49,675,000	-	-

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**
(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

g) Purchases tangible and intangible fixed assets from related parties are as follows;

	01.01.- 31.12.2015	01.01.- 31.12.2014	01.01.- 31.12.2013
Hakan Çağlar	-	-	2,825,000
Yusuf Gören	-	-	2,825,000
	-	-	5,650,000

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

	01.01.- 31.12.2015	01.01.- 31.12.2014	01.01.- 31.12.2013
Short term employee benefits	3,064,017	2,793,940	2,755,833
Benefits provided after leaving	-	-	-
Other long term benefits	-	-	-
Benefits provided due to termination	-	-	-
Share based payments	-	-	-
	3,064,017	2,793,940	2,755,833

NOTE 6 – CASH AND CASH EQUIVALENTS

As of 31 December 2015, 2014 and 2013, the details of cash and cash equivalents are as follows;

	31.12.2015	31.12.2014	31.12.2013
Cash	68,534	19,522	55,417
Banks			
- Time deposits with maturities less than 3 months	84,927,559	50,990,407	4,213,222
- Demand Deposits	10,957,073	8,289,327	22,338,397
Other liquid assets	992,351	557,012	1,408,486
Accrual interest of time deposits	279,249	34,374	-
	97,224,766	59,890,642	28,015,522

As of 31 December 2015, 2014 and 2013 Group's bank deposits compose of time deposit and demand deposits. As of 31 December 2015, there is blockage over the bank deposits amount of TRY 11,588,037. Related blocked amounting to TRY 397,463 is blocked for bank loans, amounting to TRY 10,878,074 is blocked for sale and lease back contract and remain amounting to TRY 312,500 is blocked for capital commitment of subsidiary of the Parent Company Butol İnşaat Turizm Savunma Sanayi Ticaret A.Ş in favor of related financial institution (31 December 2014: TRY 907,380 and 31 December 2013 : None). Other liquid assets are composed of the receivables from banks relating to sales by credit cards.

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013
(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

As of 31 December 2015, the details of time deposits are as follows;

Currency Type	Maturity	Interest Rate	TRY Amount
USD	04.01.2016	2.00%	50,534,088
TRY	04.01.2016	10.75%	20,000,000
USD	14.01.2016	1.80%	10,878,074
TRY	04.01.2016	10.00%	3,000,000
TRY	01.01.2016	2.50%	510,650
TRY	11.01.2016	8.95%	4,747
			84,927,559

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

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

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

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

NOTE 7 – FINANCIAL INVESTMENTS

As of 31 December 2015, 2014 and 2013, details of financial investments are as follows;

Short term financial investments

	31.12.2015	31.12.2014	31.12.2013
Blockage time deposits whose maturities between 3 and 12 months (*)	29,586,255	15,730,629	-
<i>Financial asset purpose of purchase and sale</i>			
Bond	100,000	100,000	-
	29,686,255	15,830,629	-

Long term financial investments

	31.12.2015	31.12.2014	31.12.2013
Blockage time deposits whose maturity over than 1 year (*)	46,954,891	53,836,371	-
	46,954,891	53,836,371	-

(*) Amounting to TRY 57,641,746 of the time deposits of Group which are classified in the short and long-term financial investments accounts, there is blocked account which is referring to sell and lease back, in favor of related financial institution which has committed with Albaraka Türk Katılım Bankası A.Ş. According to the agreement between Group and financial institution; amounting to TRY 68,519,820 (USD 23,565,766), which is held as time deposit and blocked, be set-off arising from financial leases payment and blocked amount will be closed as of the date of 14 July 2017 (31 December 2014: TRY 69,567,000, 31 December 2013: None). As of 31 December 2015 total amount of TRY 10,878,074 (USD 3,741,256) is classified in time deposits under the cash and cash equivalents due to being less than 3 months maturity day with the due date on 14 January 2016. In addition, referring to the loan agreement between Group and AlternatifBank A.Ş.; amounting to TRY 18,899,400 (USD 6,500,000) will be as time deposit and blocked until maturity of related loan.

As of the 31 December 2015 detail of related to the term of blocked deposits is as follows;

	31.12.2015
In the year of 2016	29,586,255
In the year of 2017 and over	46,954,891
	76,541,146

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

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

NOTE 8 – FINANCIAL BORROWINGS

As of 31 December 2015, 2014 and 2013, the details of short and long term financial borrowings are as follows;

	31.12.2015	31.12.2014	31.12.2013
Short term bank borrowings	50,501,578	77,858,879	78,080,685
Short term lease payables, net	48,196,718	24,558,119	11,460,816
Current installments of long term bank borrowings	157,962,587	124,775,290	83,486,188
Accrued interest of bank borrowings and financial leases	19,141,885	6,459,205	5,018,408
Total short term financial payables	275,802,768	233,651,493	178,046,097
Long term bank borrowings	457,572,956	251,528,783	278,928,602
Long term lease payables, net	245,553,321	237,015,102	48,553,720
Bonds issued (*)	25,000,000	-	-
Total long term financial borrowings	728,126,277	488,543,885	327,482,322
Total financial borrowings	1,003,929,045	722,195,378	505,528,419

(*) At the date of 22 April 2015, Emay İnşaat Taahhüt Sanayi ve Ticaret Anonim Şirketi release bond issuance with the amount of TRY 25,000,000 which has interest payments quarterly and its capital payments due date is 19 April 2017. The interest rate of issued bonds are changeable and third coupon payment rate is 3.6879% at 20 January 2016. Related interest rate has been determined with the average of two matters, which are benchmark interest rate average of TRT161116T19 coded bond and annual interest rate 4.75% decided by Emay İnşaat Taahhüt Sanayi ve Ticaret Anonim Şirketi.

As of 31 December 2015 the average effective interest rates of USD, EUR and TRY bank borrowings are 5.93%, 5.90% and 13.35% respectively (31 December 2014: USD - 6.24%, EUR - 6.76%, TRY - 14.24%, 31 December 2013: USD - 5.66%, EUR - 7.22%, TRY - 12.55%).

As of 31 December 2015, 2014 and 2013, maturity analysis of short term bank borrowings (except accrued interest on borrowings) is as follows:

	31.12.2015	31.12.2014	31.12.2013
Due in 0 – 1 months	31,233,133	9,019,231	6,080,376
Due in 1 - 3 months	42,736,802	34,961,011	35,101,976
Due in 3 - 12 months	134,494,230	158,653,927	120,384,521
	208,464,165	202,634,169	161,566,873

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013

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

As of 31 December 2015, the details of the short term bank borrowings (except accrued interest on borrowings) based on currency are as follows:

Currency	Amount	Currency rate	TRY Equivalent
TRY	174,586,531	1.0000	174,586,531
USD	1,172,941	2.9076	3,410,443
EUR	9,588,114	3.1776	30,467,191
Total			208,464,165

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

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

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

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

As of 31 December 2015, 2014 and 2013, maturity analysis of long term bank borrowings (except accrued interest on borrowings) is as follows:

	31.12.2015	31.12.2014	31.12.2013
Due in 1 - 2 years	94,050,676	97,261,736	80,287,967
Due in 2 - 3 years	59,752,354	40,323,842	52,544,554
Due in 3 - 4 years	44,694,994	27,486,326	27,949,474
Due in 4 - 5 years	49,077,302	25,500,620	27,744,497
Due in 5 - 6 years	36,804,932	23,595,972	27,701,060
Due in 6 - 7 years	44,556,129	23,595,972	27,701,060
Due in 7 - 8 years	55,315,364	13,764,315	23,611,826
Due in 8 - 9 years	51,313,232	-	11,388,164
Due in 9 - 10 years	22,007,973	-	-
	457,572,956	251,528,783	278,928,602

As of 31 December 2015, the details of the long term bank borrowings (except accrued interest on borrowings) based on currency are as follows:

Currency	Amount	Currency rate	TRY Equivalent
TRY	97,640,716	1.0000	97,640,716
USD	2,194,060	2.9076	6,379,449
EUR	111,264,096	3.1776	353,552,791
			457,572,956

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

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

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

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

As of 31 December 2015, 2014 and 2013 maturity analysis of short term financial lease payables (except accrued interest) are as below:

	31.12.2015	31.12.2014	31.12.2013
Due in 0 - 1 months	7,631,194	1,613,595	422,187
Due in 1 - 3 months	4,118,009	3,219,312	998,781
Due in 3 - 12 months	36,447,515	19,725,212	10,039,848
	48,196,718	24,558,119	11,460,816

As of 31 December 2015, the details of short term financial lease payables (except accrued interest) based on currency are as below:

Currency	Amount	Currency rate	TRY Equivalent
TRY	1,400,911	1.0000	1,400,911
USD	8,969,493	2.9076	26,079,698
EUR	6,519,420	3.1776	20,716,109
			48,196,718

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

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

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

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

As of 31 December 2015, 2014 and 2013 maturity analysis of long term financial lease payables (except accrued interest) are as below:

	31.12.2015	31.12.2014	31.12.2013
Due in 1 - 2 years	47,422,589	39,261,022	14,904,634
Due in 2 - 3 years	35,868,947	38,796,955	15,935,407
Due in 3 - 4 years	33,887,071	29,146,676	14,432,164
Due in 4 - 5 years	30,832,099	27,437,158	3,281,515
Due in 5 - 6 years	33,185,218	24,585,530	-
Due in 6 - 7 years	35,690,528	26,463,199	-
Due in 7 - 8 years	28,666,869	28,462,404	-
Due in 8 - 9 years	-	22,862,158	-
	245,553,321	237,015,102	48,553,720

As of 31 December 2015, the details of long term financial lease payables (except accrued interest) based on currency are as below:

Currency	Amount	Currency Rate	TRY Equivalent
TRY	2,321,862	1.0000	2,321,862
USD	72,374,495	2.9076	210,436,082
EUR	10,320,801	3.1776	32,795,377
			245,553,321

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013
(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

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

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

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

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

As of 31 December 2015, the Group gave mortgage with the amount of TRY 1,278,250,800 and notes receivables with the amount of TRY 114,967,654 to the finance corporations for the borrowings and Group has blocked account amount of TRY 87,816,683 on bank deposits in favor of financial institutions (Note 6, 7 and 17). Furthermore, the personal guarantees of the shareholders are issued for bank loans.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

As of 31 December 2015, the details of Group's bank borrowings and financial lease payables on the basis of financial institutions are as follows;

Bank	Short Term Bank Borrowings and Lease Payables	Current installments of long term bank borrowings	Long Term Bank Borrowings and Lease Payables	Total Bank Borrowings and Lease Payables
Alternatifbank A.Ş.	11,900,000	16,443,277	297,605,241	325,948,518
Albaraka Türk Katılım Bankası A.Ş.	23,021,386	9,411,678	211,058,566	243,491,630
Credit Europe Bank N.V	-	7,944,000	54,019,200	61,963,200
Kuveyt Türk Katılım Bankası A.Ş.	2,008,600	22,159,833	35,527,773	59,696,206
Fibabanka A.Ş.	2,500,000	20,933,049	22,964,769	46,397,818
Turkland Bank A.Ş.	4,430,010	8,432,841	31,279,877	44,142,728
Denizbank A.Ş.	1,400,000	27,294,350	-	28,694,350
Garanti Finansal Kiralama A.Ş.	8,143,165	-	18,984,215	27,127,380
Şekerbank T.A.Ş.	-	13,813,233	11,561,865	25,375,098
Akbank T.A.Ş.	21,519,000	2,532,289	295,904	24,347,193
Burgan Bank A.Ş.	3,250,000	5,084,942	3,354,125	11,689,067
Şeker Finansal Kiralama A.Ş.	4,338,925	-	6,355,930	10,694,855
Anadolubank A.Ş.	-	6,920,354	-	6,920,354
Yapı Kredi Finansal Kiralama A.O.	3,803,708	-	2,926,652	6,730,360
Tekstilbank A.Ş.	3,000,000	3,482,153	-	6,482,153
Türkiye Vakıflar Bankası T.A.O.	-	6,384,995	-	6,384,995
Finansbank A.Ş.	2,500,000	3,178,419	303,983	5,982,402
Türkiye Finans Katılım Bankası A.Ş.	1,704,901	1,792,515	1,929,718	5,427,134
İş Finansal Kiralama A.Ş.	1,476,199	-	1,437,262	2,913,461
Yapı Ve Kredi Bankası A.Ş.	-	2,154,659	550,000	2,704,659
Deniz Finansal Kiralama A.Ş.	1,040,642	-	1,586,784	2,627,426
Ak Finansal Kiralama A.Ş.	1,900,066	-	654,882	2,554,948
Alternatif Finansal Kiralama A.Ş.	759,126	-	729,531	1,488,657
T. Garanti Bankası A.Ş.	2,568	-	-	2,568
	98,698,296	157,962,587	703,126,277	959,787,160

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013
(Currency is in Turkish Lira ‘TRY’ unless expressed otherwise)

As of 31 December 2015, maturity schedule of Group’s bank borrowings and financial lease payables on the basis of financial institutions are as follows;

Bank	Between 0-1 Year	Between 1-2 Year	Between 2-3 Year	Between 3-4 Year	Between 4-5 Year	Between 5-6 Year	Between 6-7 Year	Between 7-8 Year	Between 8-9 Year	Between 9-10 Year	Total
Alternatifbank A.Ş.	28,343,277	15,863,607	19,689,288	21,602,129	30,452,587	36,804,932	44,556,129	55,315,364	51,313,232	22,007,973	325,948,518
Albaraka Türk Katılım Bankası A.Ş.	32,433,064	27,263,605	26,673,618	28,746,629	30,832,099	33,185,218	35,690,528	28,666,869	-	-	243,491,630
Credit Europe Bank N.V	7,944,000	11,121,600	13,663,680	13,028,160	16,205,760	-	-	-	-	-	61,963,200
Kuveyt Türk Katılım Bankası A.Ş.	24,168,433	23,605,270	11,715,455	207,048	-	-	-	-	-	-	59,696,206
Fibabanka A.Ş.	23,433,049	19,465,690	3,499,079	-	-	-	-	-	-	-	46,397,818
Turkland Bank A.Ş.	12,862,851	14,011,982	8,632,430	6,216,510	2,418,955	-	-	-	-	-	44,142,728
Denizbank A.Ş.	28,694,350	-	-	-	-	-	-	-	-	-	28,694,350
Garanti Finansal Kiralama A.Ş.	8,143,165	8,227,890	5,822,931	4,933,394	-	-	-	-	-	-	27,127,380
Şekerbank T.A.Ş.	13,813,233	4,316,552	3,397,118	3,848,195	-	-	-	-	-	-	25,375,098
Akbank T.A.Ş.	24,051,289	295,904	-	-	-	-	-	-	-	-	24,347,193
Burgan Bank A.Ş.	8,334,942	3,354,125	-	-	-	-	-	-	-	-	11,689,067
Şeker Finansal Kiralama A.Ş.	4,338,925	4,694,157	1,661,773	-	-	-	-	-	-	-	10,694,855
Anadolubank A.Ş.	6,920,354	-	-	-	-	-	-	-	-	-	6,920,354
Yapı Kredi Finansal Kiralama A.O.	3,803,708	2,921,167	5,485	-	-	-	-	-	-	-	6,730,360
Tekstilbank A.Ş.	6,482,153	-	-	-	-	-	-	-	-	-	6,482,153
Türkiye Vakıflar Bankası T.A.O.	6,384,995	-	-	-	-	-	-	-	-	-	6,384,995
Finansbank A.Ş.	5,678,419	303,983	-	-	-	-	-	-	-	-	5,982,402
Türkiye Finans Katılım Bankası A.Ş.	3,497,416	1,704,617	225,101	-	-	-	-	-	-	-	5,427,134
İş Finansal Kiralama A.Ş.	1,476,199	1,302,103	135,159	-	-	-	-	-	-	-	2,913,461
Yapı Ve Kredi Bankası A.Ş.	2,154,659	550,000	-	-	-	-	-	-	-	-	2,704,659
Deniz Finansal Kiralama A.Ş.	1,040,642	1,105,824	480,960	-	-	-	-	-	-	-	2,627,426
Ak Finansal Kiralama A.Ş.	1,900,066	654,882	-	-	-	-	-	-	-	-	2,554,948
Alternatif Finansal Kiralama A.Ş.	759,126	710,307	19,224	-	-	-	-	-	-	-	1,488,657
T. Garanti Bankası A.Ş.	2,568	-	-	-	-	-	-	-	-	-	2,568
	256,660,883	141,473,265	95,621,301	78,582,065	79,909,401	69,990,150	80,246,657	83,982,233	51,313,232	22,007,973	959,787,160

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013
 (Currency is in Turkish Lira 'TRY' unless expressed otherwise)

NOTE 9 – TRADE RECEIVABLES AND PAYABLES

As of 31 December 2015, 2014 and 2013, the details of trade receivables are as follows;

Short term trade receivables

	31.12.2015	31.12.2014	31.12.2013
Trade receivables	1,777,518	691,414	531,406
Notes receivables	23,149,398	26,678,095	33,897,132
Trade receivables from related parties (Note 5)	2,210,424	-	-
Unearned interest on trade receivables (-)	(1,281,162)	(1,497,321)	(1,269,318)
Income accruals in accordance with the agreements	-	-	148,685
Doubtful trade receivables	2,845,474	2,376,475	825,021
Provision for doubtful trade receivables (-)	(2,799,012)	(2,309,126)	(779,557)
	25,902,640	25,939,537	33,353,369

For the periods ended at 31 December 2015, 2014 and 2013, the movement schedule of provision for doubtful receivables is as follows:

	01.01.- 31.12.2015	01.01.- 31.12.2014	01.01.- 31.12.2013
Opening balance	2,309,126	779,557	206,923
Collections	(293,050)	(16,739)	-
Additions due to acquisition of subsidiary	15,171	-	-
Provisions for the period	767,765	1,546,308	572,634
Closing balance	2,799,012	2,309,126	779,557

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

As of 31 December 2015, 2014 and 2013 maturity schedule of notes receivables is as follows:

	31.12.2015	31.12.2014	31.12.2013
Overdue	2,018,225	383,761	3,603,417
1-30 days	2,331,557	6,035,607	5,452,113
31-60 days	1,451,198	1,568,936	3,168,966
61-90 days	2,755,849	3,438,397	2,906,057
91-120 days	1,749,817	1,389,672	2,141,767
121-150 days	1,855,745	1,910,652	2,637,101
151-180 days	2,010,557	2,673,730	2,818,184
181-210 days	1,469,217	1,313,927	2,353,821
211-240 days	1,566,358	1,161,286	1,963,614
241-270 days	1,511,181	1,372,641	1,793,436
271-300 days	919,880	1,286,112	1,730,645
301-330 days	1,345,613	902,884	1,266,951
331-360 days	2,164,201	3,240,490	2,061,060
	23,149,398	26,678,095	33,897,132

Long term trade receivables

	31.12.2015	31.12.2014	31.12.2013
Notes receivables	29,527,784	25,757,951	23,855,327
Unearned interest on notes receivables (-)	(7,349,978)	(6,249,292)	(4,591,600)
	22,177,806	19,508,659	19,263,727

As of 31 December 2015, 2014 and 2013, maturity schedule of notes receivables is as follows:

	31.12.2015	31.12.2014	31.12.2013
1 - 2 years	14,204,804	14,561,638	14,760,022
2 - 3 years	8,166,188	7,101,569	6,770,798
3 - 4 years	4,956,742	3,006,628	1,797,624
4 - 5 years	2,050,050	764,866	90,659
5 - 6 years	150,000	323,250	-
6 - 7 years	-	-	436,224
	29,527,784	25,757,951	23,855,327

As of 31 December 2015, Group has received letters of guarantees with the amount of TRY 2,372,271 and notes receivables with the amount of TRY 211,085 from the customers for the short and long term trade receivables (Note 17).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013

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

As of 31 December 2015, The Group has given TRY 52,677,182 notes receivables which are classified under trade receivables and TRY 86,034,740 which is the part of TRY 114,976,654 of notes receivables which are classified under other receivables to banks as guarantee against of loans used (Note 17).

Although the flats have been delivered to customers, Group has not assigned the deeds in order to make them guarantee for their notes receivables which amounting to TRY 48,133,905. After the collection of the notes receivable by the Group, deed transfers will be occurred. The mortgage on the flats which are already delivered to customers but deeds not transferred, amounting to of TRY 306,223,800 in favor of financial institutions to be guarantee to the loans.

The flat deeds which are on the Group's notes receivables amounting to TRY 648,000, has been delivered to the flat owners. There are mortgages on the related flats amounting to TRY 798,000 in favor of the Group.

As of 31 December 2015, 2014 and 2013, the credit risk analysis of trade receivables have been prepared at Note 32.

As of 31 December 2015, 2014 and 2013, the details of trade payables are as follows;

Short term trade payables

	31.12.2015	31.12.2014	31.12.2013
Trade payables	7,094,548	10,534,625	16,871,901
Due to related parties (Note 5)	226,693	211,015	-
Notes payables	8,937,560	23,801,926	25,651,589
Unearned interest on trade payables (-)	(445,435)	(1,055,871)	(1,105,722)
Accrued expenses in accordance with agreements	734,620	88,418	47,681,013
	16,547,986	33,580,113	89,098,781

Maturity schedule of notes payables as of 31 December 2015, 2014 and 2013 are as follows:

	31.12.2015	31.12.2014	31.12.2013
1-30 days	2,473,170	5,954,720	10,395,450
31-60 days	2,316,540	5,290,860	6,277,405
61-90 days	1,974,350	6,510,576	4,803,939
91-120 days	1,797,500	2,767,770	2,650,395
121-150 days	376,000	1,610,000	1,050,000
151-180 days	-	1,068,000	140,400
181-210 days	-	300,000	-
211-240 days	-	40,000	-
241-270 days	-	-	334,000
301-330 days	-	260,000	-
	8,937,560	23,801,926	25,651,589

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013

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

Long term trade payables

	31.12.2015	31.12.2014	31.12.2013
Trade payables	-	4,000,000	4,000,000
Unearned interest on trade payables (-)	-	(501,564)	(451,775)
	-	3,498,436	3,548,225

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

NOTE 10 – OTHER RECEIVABLES AND PAYABLES

As of 31 December 2015, 2014 and 2013 the details of other receivables are as follows;

Other current receivables

	31.12.2015	31.12.2014	31.12.2013
Due from shareholders (Note 5)	-	1,454,058	34,846,776
Due from related parties (Note 5)	6,889,428	8,232,193	6,471,977
Notes receivables which are received as advance (**)	38,197,897	24,130,268	17,522,956
Receivables from the tax office (*)	6,371,841	20,709,335	-
Other receivables	117,389	61,219	245,800
	51,576,555	54,587,073	59,087,509

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

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

As of 31 December 2015, 2014 and 2013, maturity schedule of notes receivables which are received as an advance are as follows:

	31.12.2015	31.12.2014	31.12.2013
Overdue	673,450	234,485	1,466,385
1-30 days	4,769,723	1,891,856	1,463,413
31-60 days	2,550,009	1,376,403	1,353,133
61-90 days	2,793,309	1,380,693	1,680,102
91-120 days	3,891,049	2,500,875	1,285,657
121-150 days	3,324,354	2,746,490	1,320,551
151-180 days	4,632,401	2,784,410	1,498,797
181-210 days	2,378,144	1,725,540	1,040,467
211-240 days	1,990,954	1,637,040	1,037,483
241-270 days	2,622,314	2,087,220	1,601,140
271-300 days	2,728,154	1,664,400	1,454,952
301-330 days	1,484,173	1,405,200	1,041,847
331-360 days	4,359,863	2,695,656	1,279,029
	38,197,897	24,130,268	17,522,956

Other non-current receivables

	31.12.2015	31.12.2014	31.12.2013
Deposits and guarantees given	59,949	59,894	59,894
Notes receivables which are received as advance (*)	47,836,843	34,483,329	29,512,564
Receivables from the tax office	-	-	3,438,128
Due from shareholders (Note 5)	-	16,675,928	18,568,492
	47,896,792	51,219,151	51,579,078

As of 31 December 2015, 2014 and 2013, maturity schedule of notes receivables which are received as an advance are as follows:

	31.12.2015	31.12.2014	31.12.2013
Between 1 - 2 years	25,497,833	20,184,986	17,180,284
Between 2 - 3 years	13,281,120	11,540,403	9,807,705
Between 3 - 4 years	6,545,770	1,941,990	2,524,575
Between 4 - 5 years	2,246,120	815,950	-
Between 5 - 6 years	266,000	-	-
	47,836,843	34,483,329	29,512,564

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

As of 31 December 2015, 2014 and 2013, the credit risk analysis of other receivables have been prepared at Note 32.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013

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

As of 31 December 2015, 2014 and 2013, the details of other payables are as follows;

Other current payables

	31.12.2015	31.12.2014	31.12.2013
Taxes and funds payable	229,939	415,631	304,451
Overdue taxes (*)	3,744,011	13,324,308	198,368
Deposit and guarantees received	2,469,398	3,564,106	4,552,977
Due to Shareholders (Note 5)	9,862,388	-	-
Other payables (**)	7,993,712	8,061,745	282,675
	24,299,448	25,365,790	5,338,471

(*) As of the date of financial statement, related amounts consist of Social Security Institution (SSI) debts and tax debts which has not paid at maturity date. Tax and Social Security Institution liabilities and related interest accruals reflected to the accompanying consolidated financial statements. According to the declaration of the Group management, overdue tax debts consists of different tax offices, for the offsetting of VAT receivables in 2016. As of 31 December 2015, related liabilities classified to the short term liabilities on the financial statements.

(**) Group and Berza-Es Sağlık Turizm Enerji Sanayi ve Ticaret A.Ş. ("Berza") which is land owner of Hilton Hotel located in Kozyatağı / İstanbul takes each other to court about debit-credit case. Against of execution proceeding commenced by "Berza" with the amount of TRY 9,802,330, Emay İnşaat Taahhüt Sanayi ve Ticaret Anonim Şirketi takes "Berza" to the court with TRY 6,251,933 and commenced an execution proceeding with TRY 6,631,821. Total amount of TRY 7,820,970 is reflected in accompanying consolidated financial statements as payables, the amount and method of payment will be determined with the final result of related case.

Other non-current payables

	31.12.2015	31.12.2014	31.12.2013
Deposit and guarantees given	496,115	312,552	3,660,817
Overdue taxes	-	-	2,854,921
	496,115	312,552	6,515,738

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013

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

NOTE 11 –EMPLOYEE BENEFITS LIABILITIES

As of 31 December 2015, 2014 and 2013, payables to employee benefits are as follows;

	31.12.2015	31.12.2014	31.12.2013
Social security premiums payable	198,409	254,201	386,124
Due to personnel	559,349	436,204	908,079
	<u>757,758</u>	<u>690,405</u>	<u>1,294,203</u>

NOTE 12 – INVENTORIES

As of 31 December 2015, 2014 and 2013, the details of inventories are as follows;

Short term inventories

	31.12.2015	31.12.2014	31.12.2013
Land inventories	700,000	700,000	700,000
Finished goods	134,494,090	156,416,449	197,252,391
	<u>135,194,090</u>	<u>157,116,449</u>	<u>197,952,391</u>

Long term inventories

	31.12.2015	31.12.2014	31.12.2013
Land inventories for projects	826,481	826,481	826,481
Construction in progress inventories (*)	92,068,424	41,131,969	11,914,430
Flat inventories	430,535	430,535	430,535
	<u>93,325,440</u>	<u>42,388,985</u>	<u>13,171,446</u>

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

As of 31 December 2015, the insurance on construction in progress projects and inventories is amounting to TRY 65,819,109.

As of 31 December 2015, in order to guarantee for the Group's financial liabilities, there is a mortgage on the flats which was already delivered to customers but deeds not transferred (these are not exist on the financial statements due to already delivered to the customers) and flats which are classified as inventories in the accompanying financial statements, with the amount of TRY 553,816,800.

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013
(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

NOTE 13 – PREPAID EXPENSES AND DEFERRED INCOME

As of 31 December 2015, 2014 and 2013, the details of prepaid expenses are as follows;

Short term prepaid expenses

	31.12.2015	31.12.2014	31.12.2013
Order advances given	-	-	797,843
Prepaid expenses - short term	2,314,558	-	638,889
Advances given for business purposes	1,074,487	277,575	380,868
	<hr/> 3,389,045	<hr/> 277,575	<hr/> 1,817,600

Long term prepaid expenses

	31.12.2015	31.12.2014	31.12.2013
Advances given for purchases of tangible assets	2,497,076	-	-
Prepaid expenses	14,858,286	-	-
	<hr/> 17,355,362	<hr/> -	<hr/> -

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013

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

As of 31 December 2015, 2014 and 2013, the details of deferred incomes are as follows;

Deferred income short term

	31.12.2015	31.12.2014	31.12.2013
Advances received (*)	9,866,998	3,354,090	19,796,280
Deferred income (**)	7,144,875	7,524,466	2,179,420
	17,011,873	10,878,556	21,975,700

Deferred income long term

	31.12.2015	31.12.2014	31.12.2013
Advances received (*)	144,147,780	70,528,435	54,934,300
Deferred income (**)	25,967,684	31,117,816	332,560
	170,115,464	101,646,251	55,266,860

(*) As of 31 December 2015 TRY 86,034,740 of long and short term advances received (31 December 2014: TRY 58,613,597, 31 December 2013: TRY 47,035,520) consists of notes receivables qualified as sale advances. Remaining advances consists of cash advances.

(**)As of 31 December 2014 and 2013, the Group used some of their real estates on the "Sell and Lease Back" lease method in order to funding. Before sell and lease back lease process, difference between book value and transaction amount of the related real estates not reflected directly on the profit and loss statement. The difference will be reflect to the profit and loss statement according to the lease maturity. As of 31 December 2015, amounting to TRY 5,479,711 on the short term and amounting to TRY 25,287,153 long term consist of sell and lease back lease method (31 December 2014: Short term: TRY 5,506,706, Long term: TRY 30,766,864, 31 December 2013: Short term: TRY 6,479, Long term: TRY 26,995).

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013
(Currency is in Turkish Lira ‘TRY’ unless expressed otherwise)

NOTE 14 – INVESTMENT PROPERTIES

Movements in investment property for the period at the date of 31 December 2015, 2014 and 2013, are as follows;

Cost	31 December 2012	Addition	Revaluation Funds	Transfer	31 December 2013	Addition	Revaluation Funds	Transfer	31 December 2014	Addition	Disposal	Additions due to acquisition of subsidiary	Revaluation Funds	Transfer	31 December 2015
Lands	-	-	-	-	-	-	-	-	-	-	-	950,000	4,175,000	-	5,125,000
Buildings	-	70,902,009	54,414,693	211,762,542	337,079,244	74,657,571	141,753,752	122,771,193	676,261,760	44,283,212	(3,505,000)	-	282,148,788	(6,268,760)	992,920,000
Construction in progress	274,122,273	52,892,702	8,420,000	(211,762,542)	123,672,433	-	-	(122,771,193)	901,240	-	-	-	-	(901,240)	-
Total	274,122,273	123,794,711	62,834,693	-	460,751,677	74,657,571	141,753,752	-	677,163,000	44,283,212	(3,505,000)	950,000	286,323,788	(7,170,000)	998,045,000
Fair Value	274,122,273				460,751,677				677,163,000						998,045,000

Investment properties has been shown in the accompanying consolidated financial statements by adopting fair value method. The restrictions are not made related to the transfer incomes from Investment Properties to the Group. Purchasing, development and construction expenses related to Investment Properties belong to Group as owner. Maintenance, repair and improvement expenses about operations related to Investment Properties belong to renters. Expertise value of the Group’s investment properties has been calculated by Rehber Gayrimenkul Değerleme A.Ş. which is existed on the real estate valuation companies list of the CMB. Difference between fair value amount and book value of the related investment properties has been recognized on the statements of income. (Note 26). Between investment properties which has been subjected to Group’s expertise valuation and fair value hierarchy of the related assets are in 2nd level. As of current period, there has not been crossing between 1st level and 2nd level.

Group’s investment properties consist of Brandium AVM located on Ataşehir / İstanbul (40% of the total shopping mall value), Hilton Hotel located on Kozyatağı / İstanbul (50% of the total hotel value), real estates located on Gayrettepe / İstanbul and Gebze / Kocaeli, 21 flats on the Brandium Rezidans keeping for rental income, Trade Center located on Ümraniye / İstanbul and some flats and shops on the Centrium project are keeping for rental income.

As of 31 December 2015 according to expertise value, amounting to TRY 351,585,000 of the investment properties of the Group are acquired with financial leasing method (sell and lease back). (31 December 2014: TRY 236,673,000, 31 December 2013: TRY 3,295,000).

As of 31 December 2015 the mortgages amounting to TRY 698,184,000 has been given in favor of financial institutions over Group's borrowings on investment properties. As of 31 December 2015 the insurance on investment properties is amounting to TRY 145,571,345.

Additions due to acquisition of subsidiary contain acquired subsidiary’s investment properties for the period ended at 31 December 2015.

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013
(Currency is in Turkish Lira ‘TRY’ unless expressed otherwise)

NOTE 15 – TANGIBLE FIXED ASSETS

Movements in tangible fixed assets for the periods ended at the date of 31 December 2015, 2014 and 2013 are as follows;

Cost	31 December 2012	Addition	Disposal	Revaluation Funds	31 December 2013	Addition	Disposal	Revaluation Funds	31 December 2014	Addition	Additions due to acquisition of subsidiary	Disposal	Revaluation Funds	31 December 2015
Land	612,500	-	-	-	612,500	-	-	-	612,500	-	-	-	-	612,500
Buildings	50,413,762	6,728,680	-	3,469,780	60,612,222	198,956	-	9,067,226	69,878,404	76,005	-	-	6,643,351	76,597,760
Machinery	4,380,402	190,722	-	-	4,571,124	75,881	-	-	4,647,005	-	-	-	-	4,647,005
Vehicles	1,896,964	-	(334,526)	-	1,562,438	-	(842,078)	-	720,360	-	20,287	(34,338)	-	706,309
Fixtures and Fittings	1,888,508	56,926	-	-	1,945,434	1,881	-	-	1,947,315	51,493	3,785	-	-	2,002,593
Leasehold improvements	11,567	-	-	-	11,567	-	-	-	11,567	-	-	-	-	11,567
Total	59,203,703	6,976,328	(334,526)	3,469,780	69,315,285	276,718	(842,078)	9,067,226	77,817,151	127,498	24,072	(34,338)	6,643,351	84,577,734
Accumulated Depreciation(-)														
Buildings	466,408	760,753	-	-	1,227,161	1,147,703	-	-	2,374,864	1,223,907	-	-	-	3,598,771
Machinery	2,280,844	392,540	-	-	2,673,384	388,372	-	-	3,061,756	345,383	-	-	-	3,407,139
Vehicles	1,364,827	193,328	(149,046)	-	1,409,109	84,516	(809,242)	-	684,383	25,703	20,287	(26,721)	-	703,652
Fixtures and Fittings	1,200,289	211,930	-	-	1,412,219	207,913	-	-	1,620,132	172,855	3,785	-	-	1,796,772
Leasehold improvements	5,398	2,313	-	-	7,711	2,314	-	-	10,025	1,542	-	-	-	11,567
Total	5,317,766	1,560,864	(149,046)	-	6,729,584	1,830,818	(809,242)	-	7,751,160	1,769,390	24,072	(26,721)	-	9,517,901
Net Book Value	53,885,937				62,585,701				70,065,991					75,059,833

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013

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

As of 31 December 2015, the total amount of insurance on tangible fixed assets is amounting to TRY 24,503,100.

Additions due to acquisition of subsidiary contain acquired subsidiary's investment properties for the period ended at 31 December 2015.

As of 31 December 2015 the mortgages amounting to TRY 26,250,000 has been given in favor of financial and other institutions over Group's land and buildings for the borrowings (Note 17).

As of 31 December 2015, buildings of Group are revalued at fair value and reflected in the consolidated financial statements according to expert appraisal reports which are prepared by Rehber Gayrimenkul Değerleme A.Ş. that is approved by the CMB. Between tangible assets which has been subjected to Group's appraisal valuation and fair value hierarchy of the related asset is in 2nd level. As of current period, there has not been crossing between 1st level and 2nd level.

As of 31 December 2015 amounting to TRY 6,428,951 of buildings, machineries and devices of the Group are acquired with financial leasing method and as of 31 December 2015 net book value of leased fixed assets is TRY 6,074,320 (31 December 2014: acquired to: TRY 4,539,473 – Net book value: TRY 4,283,206, 31 December 2013: acquired to: TRY 3,089,473 – Net book value: TRY 2,855,479).

NOTE 16 – INTANGIBLE FIXED ASSETS

Movements in intangible fixed assets for the period ended at the date of 31 December 2015, 2014 and 2013 are as follows:

Cost	31 December 2012	Addition	31 December 2013	Addition	31 December 2014	Addition	31 December 2015
Rights	18,639	17,140	35,779	-	35,779	-	35,779
Total	18,639	17,140	35,779	-	35,779	-	35,779
Accumulated Depreciation (-)							
Rights	9,541	9,127	18,668	7,358	26,026	6,660	32,686
Total	9,541	9,127	18,668	7,358	26,026	6,660	32,686
Net Book Value	9,098		17,111		9,753		3,093

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013
(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

NOTE 17 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As of 31 December 2015, 2014 and 2013 provisions, commitments and contingent liabilities are as follows;

Short term provisions

	31.12.2015	31.12.2014	31.12.2013
Provision for the lawsuits	674,188	240,136	69,280
Expense accruals	-	-	64,310
	674,188	240,136	133,590

For the periods ended at 31 December 2015, 2014 and 2013 movement schedule of provision for the lawsuits are as follows;

	01.01.- 31.12.2015	01.01.- 31.12.2014	01.01.- 31.12.2013
Opening balance	240,136	69,280	15,000
Cancelled during the period/ paid provision	(30,000)	-	-
Provision for the period	464,052	170,856	54,280
Closing balance	674,188	240,136	69,280

Contingent Assets

Contingent assets of Group are as follows;

Letters of guarantee – As of 31 December 2015, the Group has received letters of guarantee amounting to TRY 2,372,271 for trade receivables from customers. (31 December 2014 : TRY 2,663,690). All of the letters of guarantees are in TRY currency.

Security bonds – As of 31 December 2015 the Group has received security bonds amounting to TRY 211,085 from the customers (31 December 2014 : TRY 400,558). All of the security bonds are in TRY currency.

Mortgages - Group has not delivered the deeds to customers despite delivered to the their flats in order to provide to be guarantee to the notes receivable amounting to TRY 48,133,905 (31 December 2014 : TRY 40,952,532). After the collection of notes receivables, deed transaction will completed.

The flat deeds which are on the Group's notes receivables amounting to TRY 648,000, has been delivered to the flat owners. There are mortgages on the related flats amounting to TRY 798,000 in favor of the Group.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

Contingent Liabilities

As of 31 December 2015, guarantee / security / mortgage (“GSM”) of the Parent Company are as follows:

Given GSM (Guarantee-Security-Mortgage) by Parent Company	31.12.2015	31.12.2014
A.Total Amount of GSM given on behalf of legal entity	1,465,153,252	662,657,332
B.Total Amount of GSM given for partnerships which are included in full consolidation	None	None
C.Total Amount of GSM given for the purpose of guaranteeing third party loans to carry the regular trade activities	None	None
D. Total Amount of other GSM given	None	None
i. Total Amount of GSM given for the Parent Company	None	None
ii. Total Amount of GSM given for Other Group Companies not included in B and C clauses	None	None
iii. Total Amount of GSM given for third parties not included in C clause	None	None
	1,465,153,252	662,657,332

Ratio of other GSM given by the Parent Company to Shareholders’ Equity as of 31 December 2015 0% (31 December 2014 : 0%).

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

Letters of guarantees – As of 31 December 2015 Group has given letters of guarantee amounting to TRY 10,046,615 to various parties (31 December 2014 : TRY 16,501,298). The details of the letter of guarantees are as follows:

Letters of guarantees given	Currency	Currency Amount	Currency Rate	TRY Equivalent
İstanbul Büyükşehir Belediyesi / Job Commitment	TRY	5,993,461	1.0000	5,993,461
Other Tender Organizations	TRY	1,931,325	1.0000	1,931,325
Tax Offices	TRY	581,025	1.0000	581,025
Ataşehir Municipality	TRY	338,100	1.0000	338,100
Courts and Executive Offices	TRY	859,248	1.0000	859,248
Aesaş İstanbul Anadolu Yakası Elektrik Perakende Satış A.Ş.	TRY	240,000	1.0000	240,000
Ayedaş Elektrik Dağıtım A.Ş.	TRY	103,456	1.0000	103,456
				10,046,615

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

As of 31 December 2015 details of the letter of guarantees based on banks and currencies are as follows;

Bank details of letter of guarantees	Currency	Currency Amount	Currency Rate	TRY Equivalent
Türkiye Vakıflar Bankası T.A.O.	TRY	5,934,000	1.0000	5,934,000
Şekerbank Ticaret A.Ş.	TRY	2,735,771	1.0000	2,735,771
Akbank Ticaret A.Ş.	TRY	692,858	1.0000	692,858
Denizbank Ticaret A.Ş.	TRY	368,061	1.0000	368,061
Yapı Kredi Bankası A.Ş.	TRY	181,025	1.0000	181,025
Kuveyt Türk Katılım Bankası A.Ş.	TRY	105,400	1.0000	105,400
Türkiye İş Bankası A.Ş.	TRY	29,500	1.0000	29,500
				10,046,615

Mortgages – As of 31 December 2015, in order to guarantee for the Group's bank credit, the mortgages on inventory, lands, buildings and the flats which are delivered to customers but not transferred their deeds of the Groups amounting to TRY 1,278,250, in favor of financial and other institutions (31 December 2014 : TRY 487,405,000). The details of mortgages are as follows;

Mortgages given to:	Location	Degree	Currency Amount	Currency Rate	TRY Equivalent
Albaraka Türk Katılım Bankası A.Ş.	Maltepe	1/0	24,700,000	1.0000	24,700,000
Albaraka Türk Katılım Bankası A.Ş.	Büyükkçekmece	1/0	18,000,000	1.0000	18,000,000
Alternatifbank A.Ş.	Ataşehir	1/0	13,000,000	1.0000	13,000,000
Alternatifbank A.Ş.	Maltepe	1/0	20,000,000	1.0000	20,000,000
Alternatifbank A.Ş.	Ataşehir	1/0	215,000,000	3.1776	683,184,000
Anadolubank A.Ş.	Maltepe	1/0	34,000,000	1.0000	34,000,000
Burgan Bank A.Ş.	Büyükkçekmece	1/0	8,200,000	1.0000	8,200,000
Burgan Bank A.Ş.	Maltepe	1/0	1,220,000	1.0000	1,220,000
Burgan Bank A.Ş.	Ataşehir	1/0	20,000,000	1.0000	20,000,000
Credit Europe Bank (Suisse) SA	Ataşehir	1/0	30,000,000	3.1776	95,328,000
Denizbank A.Ş.	Büyükkçekmece	1/0	11,911,300	1.0000	11,911,300
Denizbank A.Ş.	Maltepe	1/0	15,050,000	1.0000	15,050,000
Fibabank A.Ş.	Ataşehir	1/0	28,000,000	1.0000	28,000,000
Fibabank A.Ş.	Maltepe	1/0	25,000,000	1.0000	25,000,000
Finansbank A.Ş.	Maltepe	1/0	7,500,000	1.0000	7,500,000
Kuveyt Türk Katılım Bankası A.Ş.	Maltepe	1/0	50,000,000	1.0000	50,000,000
Şekerbank T.A.Ş.	Büyükkçekmece	1/0	9,442,500	1.0000	9,442,500
Şekerbank T.A.Ş.	Büyükkçekmece	2/0	23,760,000	1.0000	23,760,000
Şekerbank T.A.Ş.	Büyükkçekmece	3/0	23,280,000	1.0000	23,280,000
Tekstil Bankası A.Ş.	Maltepe	1/0	23,280,000	1.0000	23,280,000
Private Individuals	Kadıköy	1/0	2,765,000	1.0000	2,765,000
Turkland Bank A.Ş.	Ataşehir	1/0	30,000,000	1.0000	30,000,000
Turkland Bank A.Ş.	Maltepe	1/0	62,880,000	1.0000	62,880,000
Türkiye Finans Katılım Bankası A.Ş.	Maltepe	1/0	21,500,000	1.0000	21,500,000
Akbank Ticaret A.Ş. (*)	Ataşehir	1/0	26,250,000	1.0000	26,250,000
					1,278,250,800

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

Security bonds - As of 31 December 2015 the Group has given security bonds in order to guarantee for the borrowings amounting to TRY 114,976,654 to financial institutions. (31 December 2014 : TRY 80,805,799).

Blocked deposits – The total amount of TRY 88,129,183 is blocked against of bank credits as guarantee which are shown under cash and cash equivalents and financial investments footnotes in the accompanying consolidated financial statements (31 December 2014 : TRY 70,024,380) (Note 6 and 7).

Swap Transaction – Group has been used credit amounting to EUR 31,446,541 from AlternatifBank A.Ş. on 01 July 2015. The Group has realised European Type Knock Out Cross Foreign Exchange Swap Transaction for the related used credits and has accounted principal payments TRY 93,553,459 by EUR/TRY 2.9750 exchange rate excluding the conditions defined below. According to the agreement, the start date of swap transaction is 01 July 2015 and knock out levels are as follows;

- For 04 January 2016 - 01 July 2016 3.3500 EUR/TRY Exchange rate,
- For 01 August 2016 - 02 July 2018 3.4500 EUR/TRY Exchange rate,
- For 04 August 2018 - 01 June 2020 3,6000 EUR/TRY Exchange rate,
- For 01 July 2020 - 01 July 2022 3.7000 EUR/TRY Exchange rate.

As of 31 December 2015 related credit has been evaluated with exchange rate at the end of the period. Exchange rate at the end of the period has stayed below the level of knock out. The difference occurred because of this has shown in the derivative instruments account. (Note 21).

Litigations – Occasionally, the Group defendant in law suits related to business issues. Related risks have been analyzed as to likelihood of occurrence. As a result of these analyses, as of 31 December 2015 Group management had provision for cases amounting to of TRY 674,188 (31 December 2014 : TRY 240,136 and 31 December 2013 : TRY 133,590) .

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

NOTE 18 – COMMITMENTS

As of 31 December 2015, Emay İnşaat has commitments for the ongoing housing projects. Details of the related project as is follows;

KentPlus Kadıköy Project

Emay İnşaat has started construction project on the land which are belong to the owners not to the related parties, 27,000 m² and located on Fikirtepe / Kadıköy / İstanbul in order to develop a housing project which include total 3 blocks and 1,330 flats in the year of 2014. The land obtain from land owners with flat for land method at the rate of 55% for all part of independent sections Delivery of the flats will be made after experts calculation over flat owner's m², after the flats completion. According to the contract, Emay İnşaat has accepted to give proprietary right of the completed construction which 55% of the total value the construction will be built on land to the land owners. Emay İnşaat plan to start construction in 12 months after acquiring building license then, plan to deliver the project related to contract in 36 months. In case of a delay on the delivery of the building related to contract for more than 180 days, Emay İnşaat will pay double hire purchase for each of independent section. As of 31 December 2015, the excavation works has been completed and construction works are in progress. Referring to agreement, after sale, Emay İnşaat responsible to make houses ready on the contract date for the deliver to the buyers. Until the time of delivery of housing, the production company, according to the number of available apartments TRY 900 will be paid to the land owners, for shops varying according to the average monthly m² on land owned, TRY 900 – 1,400 will be paid for floor deprivation and TRY 1,000 transportation fee.

As of 31 December 2015, there are commitments about related estate projects which has signed agreements by Emay İnşaat but excavation work has not been started.

Ayazağa Project

Details of the “Real Estate Sales Commitment and Landownership Contract” which is signed between Emay İnşaat Taahhüt Sanayi Ticaret Sanayi A.Ş. and S.S. Ayazağa Birlik Yapı Kooperatifi (“Cooperative”) is as follows;

S.S. Ayazağa Birlik Yapı Kooperatifi which is the right holder of the 117 parcel property consists of 7241-7242-7245 numbered blocks that located in Istanbul, Sarıyer, Ayazağa, accepted the “Statuary Form Real Estate Sales Commitment and Landownership Contract” and affix annotation to the deeds on the same day. As well as S.S. Ayazağa Birlik Yapı Kooperatifi still owner, Emay İnşaat Taahhüt Sanayi Ticaret A.Ş. will be mentioned as production company. 50,000m² of the construction area (47,000 m² for estate, 2,500m² for commercial) belongs to cooperative and 100,000 m² belongs to the production company. Amount to be paid to 117 parcel's right holders and the cost of building construction is responsibility of Emay İnşaat consequently Emay İnşaat will not pay additional costs. “Cooperative” will deliver all plots ready to demolition and production company will pay TRY 2,000 transportation fee to every single “Cooperative” member (585 members) for once and monthly TRY 1,000 during 24 months as rental. Production company will put half of their land share in pledge in favor of “Cooperative” amounting to TRY 30,750,000. Production company will continue to its operation even though 5% less aboveground area from saleable construction area 150,000 m².

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

NOTE 19 – PROVISIONS FOR EMPLOYEE BENEFITS

The Group's reserve for retirement pay is calculated as explained in Note 2. Payments are calculated on the basis of 30 days' pay, limited to a maximum of TRY 3,828 per person per year of employment, at the rate of pay applicable at the date of retirement or termination (31 December 2014: TRY 3,438, 31 December 2013: TRY 3,254).

In the consolidated financial statements as of 31 December 2015, 2014 and 2013 the Group reflected a liability for reserve for retirement pay based at the balance sheet date by using expected inflation rates and an appropriate discount rate. Except calculated actuarial profit/loss fund, all earnings has been shown at consolidated statement of profit and loss. Calculated actuarial profit/loss fund has been shown at consolidated statement of changes in shareholder's equity.

As of 31 December 2015, 2014 and 2013 the ratios based on calculations are as follows;

	31.12.2015	31.12.2014	31.12.2013
Rediscount rate	13.35%	14.24%	12.55%
Inflation rate	8.81%	8.17%	7.00%
Reel discount rate	4.17%	5.61%	5.19%

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

As of 31 December 2015, 2014 and 2013 the short and long-term provisions for employee benefits are as follows;

	31.12.2015	31.12.2014	31.12.2013
Severance pay provision – Short term	-	-	12,053
Severance pay provision – Long term	563,005	250,762	336,737
	563,005	250,762	348,790

The movement schedule of severance pay provision is as below;

	01.01. - 31.12.2015	01.01. - 31.12.2014	01.01. - 31.12.2013
Balance at the beginning of the period	250,762	348,790	238,361
Service cost	305,418	91,022	150,842
Interest cost	13,361	25,540	26,148
Severance pay that are paid in the period	(37,258)	(91,658)	(12,702)
Actuarial difference	30,722	(122,932)	(53,859)
Closing balance	563,005	250,762	348,790

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**
(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

NOTE 20 – OTHER ASSETS AND LIABILITIES

As of 31 December 2015, 2014 and 2013 the details of other assets and liabilities are as follows;

Other current assets

	31.12.2015	31.12.2014	31.12.2013
VAT carried forward	8,850,483	7,191,202	22,919,349
	8,850,483	7,191,202	22,919,349

Other non-current assets

	31.12.2015	31.12.2014	31.12.2013
VAT carried forward	53,127,704	50,870,343	45,078,235
	53,127,704	50,870,343	45,078,235

Other Current and Non-Current Liabilities

None (31 December 2014 and 2013- None).

NOTE 21 – DERIVATIVE FINANCIAL INSTRUMENTS

As of 31 December 2015 foreign currency purchase / sale agreement details are given below;

	Foreign exchange range	The amount of foreign currency which will be paid to the bank (EUR)	TRY equivalent as of the balance sheet date of foreign currency which will be paid to the bank	According to the contract , TRY equivalent for the foreign currency which will be paid to the bank	Fair Value Difference (TRY)
<i>EUR – TRY Parity</i>					
1 - 12 months	2.9750-3.3500	31,446,541	99,924,528	93,553,459	6,371,069

As of 31 December 2015 foreign exchange income with the amount of TRY 6,371,069 which was consisting of the related future contract is accounted in the consolidated income statements (31 December 2014 and 2013 : None).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013
(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

NOTE 22 – SHAREHOLDERS' EQUITY, RESERVES AND OTHER EQUITY COMPONENTS

22.1 Paid in Capital

As of 31 December 2015, Parent Company's capital consists of 130,400 deferred shares each valued at TRY 1,250. As of 31 December 2015, 2014 and 2013 the capital structure of parent company is as follows:

Shareholders:	31 December 2015		31 December 2014		31 December 2013	
	Ratio	TRY	Ratio	TRY	Ratio	TRY
Hakan Çağlar	50.00%	81,500,000	50.00%	56,500,000	50.00%	5,000,000
Yusuf Gören	37.50%	61,125,000	37.50%	42,375,000	32.50%	3,250,000
Burak Gören	12.50%	20,375,000	12.50%	14,125,000	12.50%	1,250,000
Halil Gören	-	-	-	-	2.50%	250,000
Neriman Gören	-	-	-	-	2.50%	250,000
Total	100.00%	163,000,000	100.00%	113,000,000	100.00%	10,000,000

22.2 Inflation Adjustments of Shareholders' Equity

As of 31 December 2015, 2014 and 2013 the details of inflation adjustments to shareholders' equity are as follows;

	31.12.2015	31.12.2014	31.12.2013
Inflation Adjustments of Shareholders' Equity	421,267	421,267	421,267
	421,267	421,267	421,267

22.3 Actuarial Gains / Losses on Defined Benefit Plans

For the period ended at 31 December 2015, 2014 and 2013 based on mentioned principles at Note 2, Group reflected severance pay liabilities which was reduced to the date of balance sheet by the using expected inflation rate and real discount rate to consolidated financial statements. All gain and losses other than calculated actuarial gain / (losses) in the consolidated income statement, Actuarial gain / (losses) are shown in the consolidated statement of changes in equity.

	31.12.2015	31.12.2014	31.12.2013
Defined benefit plans remeasurement gains / (losses)	65,681	87,486	(6,258)
	65,681	87,486	(6,258)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013

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

22.4 Increase / Decrease in Revaluation of Tangible Fixed Assets

Revaluation reserves consist of surplus of indexed value of the buildings on tangible asset and deferred tax which has calculated on the surplus of the indexed value. Buildings of Group are revalued at fair value and reflected in the consolidated financial statements according to expert appraisal reports which are prepared by Rehber Gayrimenkul Değerleme A.Ş. that is approved by the CMB.

Details of fund is as follows:

	31.12.2015	31.12.2014	31.12.2013
Exceeding part of the expertise value of index value	61,607,549	53,938,034	44,870,807
Minority interest	(14,772,517)	(13,125,206)	(11,960,347)
Deferred tax liabilities	(3,080,377)	(2,696,902)	(2,243,540)
Total fund	43,754,655	38,115,926	30,666,920

22.5 Restricted Reserves

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

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

As of 31 December 2015, 2014 and 2013 the details of restricted reserves are as follows;

	31.12.2015	31.12.2014	31.12.2013
Restricted Reserves	8,076,472	8,076,472	-
	8,076,472	8,076,472	-

22.6 Retained Earnings / Loss

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013

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

Dividend policy of Shareholder:

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

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

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

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

Traded companies:

- Proposal regarding to dividend distribution board of directors
- Regarding to dividend distribution advance of the board of directors

Statement of profit distribution or dividend advance distribution table

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

22.7 Minority Interests

As of 31 December 2015, 2014 and 2013 the details of minority interests are as follows;

	31.12.2015	31.12.2014	31.12.2013
Capital	1,808,472	1,515,000	1,515,000
Revaluation reserve	14,772,517	13,125,206	11,960,347
Retained earnings / (losses)	5,537,163	7,581,327	7,161,297
Profit / (loss) for the period, net	6,075,751	(1,732,997)	415,431
	28,193,903	20,488,536	21,052,075

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

NOTE 23 – SALES AND COST OF SALES

23.1 Sales revenue

Details of sales for the periods ended at 31 December 2015, 2014 and 2013 are as follows;

	01.01.- 31.12.2015	01.01.- 31.12.2014	01.01.- 31.12.2013
Flat sales	44,844,676	121,587,783	265,972,904
Real estate rental income	21,255,572	19,040,582	13,100,872
Incomes from contract works	-	49,673,472	54,591,031
Incomes from gym memberships	4,129,957	3,924,176	4,024,985
Other incomes	232,661	384,183	376,354
	70,462,866	194,610,196	338,066,146
Sales returns	(1,110,891)	(768,988)	(26,000)
Sales discounts	(636,418)	(667,192)	(456,828)
Sales Incomes (net)	68,715,557	193,174,016	337,583,318

23.2 Cost of Sales

Details of cost of sales for the periods ended at 31 December 2015, 2014 and 2013 are as follows;

	01.01.- 31.12.2015	01.01.- 31.12.2014	01.01.- 31.12.2013
Cost of flats	33,624,607	91,044,209	197,954,429
Cost of services	2,431,211	3,073,853	2,414,169
Cost of contracting	-	48,720,984	53,737,295
Cost of gym services	4,124,592	4,058,271	3,801,857
Other costs	-	-	95,238
Cost of sales, net	40,180,410	146,897,317	258,002,988

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**
(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

NOTE 24- GENERAL ADMINISTRATIVE EXPENSES AND MARKETING EXPENSES

For the periods ended at 31 December 2015, 2014 and 2013, general administrative expenses and marketing expenses are mentioned below;

	01.01.- 31.12.2015	01.01.- 31.12.2014	01.01.- 31.12.2013
General administrative expenses	10,787,292	9,287,124	7,369,394
Marketing expenses	5,712,801	2,791,840	3,683,351
	16,500,093	12,078,964	11,052,745

NOTE 25- EXPENSES ACCORDING TO QUALIFICATIONS

25.1 General administrative expenses

Details of general administrative expenses for the periods ended at 31 December 2015, 2014 and 2013 are as follows;

	01.01.- 31.12.2015	01.01.- 31.12.2014	01.01.- 31.12.2013
Personnel expenses	5,170,783	4,371,106	4,044,422
Taxes and duties	1,717,753	755,282	187,565
Provision for doubtful receivables	767,765	1,529,569	572,634
Consultancy fee	572,908	920,188	545,626
Depreciation and amortization	560,768	275,126	251,665
Provision for court cases	434,052	170,856	54,280
Provision for severance pay expenses	268,160	11,417	138,140
Vehicle expenses	219,800	143,409	59,996
Travel expenses	96,636	46,282	40,251
Food expense	94,335	85,066	65,751
Stationery expenses	61,075	49,145	48,993
Repair and maintenance expense	58,723	85,467	70,875
Other expenses	764,534	844,211	1,289,196
	10,787,292	9,287,124	7,369,394

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013

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

25.2 Marketing expenses

For the periods ended at 31 December 2015, 2014 and 2013 the details of marketing expenses are as follows;

	01.01.- 31.12.2015	01.01.- 31.12.2014	01.01.- 31.12.2013
Advertising expenses	2,470,513	1,974,296	3,003,299
Duties, taxes and title fees	2,270,069	-	-
Personnel expenses	620,880	558,160	500,364
Rent expenses	351,339	259,384	179,688
	5,712,801	2,791,840	3,683,351

NOTE 26 – INCREASE / DECREASE IN VALUE OF INVESTMENT PROPERTIES

For the periods ended at 31 December 2015, 2014 and 2013 increase in value of investment properties are as follows;

	01.01.- 31.12.2015	01.01.- 31.12.2014	01.01.- 31.12.2013
Increase in value of investment properties	286,323,788	119,163,640	62,834,693
Decrease in value of investment properties	(1,026,165)	-	-
	285,297,623	119,163,640	62,834,693

NOTE 27 –OTHER OPERATING INCOME / (EXPENSES)

Details of other operating income for the periods ended at 31 December 2015, 2014 and 2013 are as follows;

	01.01.- 31.12.2015	01.01.- 31.12.2014	01.01.- 31.12.2013
Rediscount income	8,192,047	7,418,352	5,462,223
Reversal of unnecessary provision	510,977	-	-
Foreign exchange income from commercial operations	236,265	-	17,861
Other incomes	682,543	220,741	445,438
	9,621,832	7,639,093	5,925,522

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

Details of other operating expenses for the periods ended at 31 December 2015, 2014 and 2013 is as follows;

	01.01.- 31.12.2015	01.01.- 31.12.2014	01.01.- 31.12.2013
Rediscount expense	10,189,993	9,304,109	7,357,019
Donation expenses (*)	4,284,875	1,175,210	3,859,720
Foreign exchange expense from commercial operations	21,848	21,743	90,473
Other expenses	1,220,982	5,582,545	2,642,646
	15,717,698	16,083,607	13,949,858

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

NOT 28 - INVESTMENT ACTIVITIES INCOME / (EXPENSES)

The details of investment activities income for the periods ended at 31 December 2015, 2014 and 2013 are as follows;

	01.01.- 31.12.2015	01.01.- 31.12.2014	01.01.- 31.12.2013
Profit on sale of fixed assets	8,968,687	438,664	45,680
Interest income from non - trade receivables	1,916,424	1,900,563	2,373,413
	10,885,111	2,339,227	2,419,093

The details of investment activities expense for the periods ended at 31 December 2015, 2014 and 2013 are as follows;

	01.01.- 31.12.2015	01.01.- 31.12.2014	01.01.- 31.12.2013
Loss on sale of fixed assets	-	-	27,770
Loss on sale of marketable security	-	-	12
	-	-	27,782

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013
(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

NOTE 29 – FINANCE INCOME / (EXPENSES)

For the periods ended at 31 December 2015, 2014 and 2013 the finance incomes are as follows;

	01.01.- 31.12.2015	01.01.- 31.12.2014	01.01.- 31.12.2013
Foreign exchange gains	49,510,829	2,462,020	5,322,193
Interest income	9,184,362	242,146	641,633
Foreign exchange income from swap contracts (Note 21)	6,371,069	-	-
	65,066,260	2,704,166	5,963,826

For the periods ended at 31 December 2015, 2014 and 2013 the finance expenses are as follows;

	01.01.- 31.12.2015	01.01.- 31.12.2014	01.01.- 31.12.2013
Foreign exchange losses	133,458,377	20,285,608	41,321,861
Interest expense	92,482,811	52,174,602	25,447,456
Other financing expenses	7,249,489	398,767	653,797
	233,190,677	72,858,977	67,423,114

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

NOTE 30 – TAX ASSETS AND LIABILITIES

Deferred Taxes

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

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

	31 December 2015		31 December 2014		31 December 2013	
	Total temporary differences	Deferred tax assets / (liabilities)	Total temporary differences	Deferred tax assets / (liabilities)	Total temporary differences	Deferred tax assets / (liabilities)
Deferred tax assets:						
Taxable losses	92,783,707	18,556,741	9,936,382	1,987,276	-	-
Depreciation and indexation differences of tangible and intangible fixed assets	1,101,123	220,225	1,033,433	206,687	1,984,885	396,977
Buildings depreciation	-	-	-	-	-	-
Provision for doubtful receivables	2,973,548	594,709	2,483,662	496,732	937,354	187,471
Unearned interests on receivables	8,631,140	1,726,228	7,746,612	1,549,322	5,860,918	1,172,184
Accrued interest expenses on loans	-	-	6,459,205	1,291,841	5,335,158	1,067,032
Severance pay provision	563,005	112,601	250,762	50,152	348,790	69,758
Classification of borrowing cost	72,263,391	14,452,678	11,310,061	2,262,012	-	-
Classification of sales due to periodicity concept	454,851	90,970	-	-	777,615	155,523
Expense accruals	734,620	146,924	73,500	14,700	69,263,005	13,852,601
Reversal of capitalized expenses	17,730,361	3,546,072	6,564,395	1,312,879	1,386,602	121,996
Provision for lawsuit	674,188	134,838	240,136	48,027	69,280	13,856
Foreign exchange	13,726,406	2,745,284	3,853,343	770,671	8,636,260	1,727,254
Deferred tax assets		42,327,270		9,990,299		18,764,652
Deferred Tax Liabilities:						
Buildings depreciation	(2,003,437)	(100,172)	(2,850,332)	(142,517)	(3,495,693)	(174,785)
Depreciation and indexation differences of tangible and intangible fixed assets	(16,494,274)	(3,298,855)	(7,317,428)	(1,463,486)	(5,163)	(1,033)
Unearned interest on payables	(445,435)	(89,087)	(1,557,435)	(311,487)	(1,105,722)	(221,144)
Differences of the fair value at buildings	(60,581,384)	(3,029,070)	(53,938,033)	(2,696,902)	(44,870,807)	(2,243,540)
Differences of the fair value at investment property	(638,061,520)	(31,903,076)	(351,001,165)	(17,550,058)	(209,247,413)	(10,462,371)
Income accruals	(406,253)	(81,250)	(309,795)	(61,959)	(957,753)	(191,551)
Classification of prepaid expenses	(20,975,391)	(4,195,078)	-	-	(638,889)	(127,778)
Classification of borrowing cost	-	-	-	-	(23,370,235)	(4,674,047)
Classification of sales due to periodicity concept	(12,877,806)	(2,575,561)	(7,407,211)	(1,481,442)	(13,297,686)	(2,659,537)
Foreign exchange gain	(130,275)	(25,362)	(75,478)	(15,099)	(1,612,753)	(322,552)
Deferred tax liabilities		(45,297,511)		(23,722,950)		(21,078,338)
Deferred tax assets / (liabilities), net		(2,970,241)		(13,732,651)		(2,313,686)

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

For the periods ended at 31 December 2015, 2014 and 2013 tax income / (expense) on income statement are as follows;

	01.01.- 31.12.2015	01.01.- 31.12.2014	01.01.- 31.12.2013
Current Tax Expense	-	-	(5,662,650)
Deferred Tax Income / (Expense)	11,003,520	(10,941,015)	9,631,664
Tax income / (expense), net	11,003,520	(10,941,015)	3,969,014

As of 31 December 2015, 2014 and 2013 the movements of deferred tax assets and liabilities are as follows;

	01.01.- 31.12.2015	01.01.- 31.12.2014	01.01.- 31.12.2013
Opening balance	13,732,651	2,313,686	11,761,088
Business combination effect	(136,221)	-	-
<u>Deferred tax recognized in equity</u>			
<i>Differences of the fair value at buildings</i>	383,476	453,362	173,489
<i>Actuarial profit in severance pay calculating</i>	(6,145)	24,588	10,773
Deferred tax assets and liabilities by the end of the period, net	(2,970,241)	(13,732,651)	(2,313,686)
Deferred tax income / (expense), net	11,003,520	(10,941,015)	9,631,664

As of 31 December 2015 the carry forward taxable losses of Group's and the last periods of that this losses could be used are as below;

The last period of using taxable losses	Period financial loss occurred	Taxable losses
2019	2014	9,936,382
2020	2015	82,847,325
Total		92,783,707

As of 31 December 2015, 2014 and 2013 Group's relevant assets of current period tax and tax liabilities of period income is as follows;

	31.12.2015	31.12.2014	31.12.2013
Prepaid taxes	1,325,029	38,758	103,016
Corporation tax liabilities	-	-	(5,662,650)

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013
(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

Corporation Tax

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

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

The applied effective interest rate in 2015 is 20% (2014: 20%, 2013: 20%).

Permanent tax is calculated and accrued quarterly in Turkey. As of temporary tax periods, the effective corporation tax rate is 20% in 2015 (2014: 20%, 2013: 20%).

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

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

Taxable losses

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

The Real Estate and Subsidiary Share Sales Gain Exemption

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

Withholding Tax

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

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013
(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

NOTE 31 – EARNINGS PER SHARE

For the periods ended at 31 December 2015, 2014 and 2013 profit / (loss) per share which nominal value is TRY 1 is as follows;

	01.01.- 31.12.2015	01.01.- 31.12.2014	01.01.- 31.12.2013
Net profit / (loss) for the period	145,001,025	66,160,262	68,238,979
Net Profit/(loss) relevant to minority interests	6,075,751	(1,732,997)	415,431
Net profit / (loss) relevant to parent company	138,925,274	67,893,259	67,823,548
Number of weighted average shares	137,246,575	11,410,959	10,000,000
Profit/ (loss) per share (TRY)	1.06	5.80	6.82

NOTE 32 – EXPOSURE TO FINANCIAL RISKS DUE TO FINANCIAL INSTRUMENTS

Financial Instruments

Credit Risk

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

As of 31 December 2015, 2014 and 2013 the credit risk of Company in terms of financial instruments is as follows:

	Receivables				Bank Deposit	Derivative Instruments	Other
	Trade Receivables		Other Receivables				
	Related Party	Other Party	Related Party	Other Party			
31 December 2015							
Maximum net credit risk as of balance sheet date (A+B+C+D+E) (*)	2,210,424	45,870,022	6,889,428	92,583,919	172,425,778	6,371,069	1,271,600
The part of maximum risk under guarantee with collateral	-	51,515,261	-	-	-	-	-
A. Net book value of financial assets that are neither overdue nor impaired	2,210,424	43,254,749	6,889,428	91,910,469	172,425,778	6,371,069	1,271,600
B. Net book values of financial assets that are renegotiated, if not that will be accepted as overdue or impaired	-	-	-	-	-	-	-
C. Book value of financial assets that are overdue but not impaired (**)	-	2,568,811	-	673,450	-	-	-
The part under guarantee with collateral etc	-	-	-	-	-	-	-
D. Net book value of impaired assets	-	46,462	-	-	-	-	-
Overdue (gross book value amount)	-	2,845,474	-	-	-	-	-
Impairment (-)	-	(2,799,012)	-	-	-	-	-
The part of net value under guarantee with collateral etc	-	-	-	-	-	-	-
Non overdue (gross book value amount)	-	-	-	-	-	-	-
Impairment (-)	-	-	-	-	-	-	-
The part of net value under guarantee with collateral	-	-	-	-	-	-	-
E. Factors Including Off-Balance Sheet Risk	-	-	-	-	-	-	-

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

(**) As of 31 December 2015 the explanations related to the aging of overdue but not impaired receivables are as below;

	Receivables		Bank Deposits	Others
	Trade receivables	Other receivables		
Overdue 1-30 days	898,447	423,250	-	-
Overdue 1-3 months	172,237	250,200	-	-
Overdue 3-12 months	1,498,127	-	-	-
Overdue 1-5 years	-	-	-	-

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

31 December 2014	Trade receivables		Other receivables		Bank	
	Related Party	Other Party	Related Party	Other Party	Deposits	Other
Maximum net credit risk as of balance sheet date (A+B+C+D+E) (*)	-	45,448,196	26,362,179	79,444,045	128,846,734	591,386
The part of maximum risk under guarantee with collateral	-	44,016,780	-	-	-	-
A. Net book value of financial assets that are neither overdue nor impaired	-	44,997,086	26,362,179	79,209,560	128,846,734	591,386
B. Net book values of financial assets that are renegotiated, if not that will be accepted as overdue or impaired	-	-	-	-	-	-
C. Book value of financial assets that are overdue but not impaired (**)	-	383,761	-	234,485	-	-
- The part under guarantee with collateral etc	-	-	-	-	-	-
D. Net book value of impaired assets	-	67,349	-	-	-	-
- Overdue (gross book value amount)	-	2,376,475	-	-	-	-
- Impairment (-)	-	(2,309,126)	-	-	-	-
The part of net value under guarantee with collateral etc	-	-	-	-	-	-
Non overdue (gross book value amount)	-	-	-	-	-	-
Impairment (-)	-	-	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
E. Factors Including Off-Balance Sheet Risk	-	-	-	-	-	-

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

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

	Receivables			
	Trade receivables	Other Receivables	Bank Deposits	Other
Overdue 1-30 days	234,936	234,485	-	-
Overdue 1-3 months	147,825	-	-	-
Overdue 3-12 months	1,000	-	-	-
Overdue 1-5 years	-	-	-	-

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013

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

Derivative Financial Instruments

Swap transactions

The Group's activities, mainly due to changes in foreign exchange rates and interest rates, which is exposed to financial risks. Group, which is used derivative financial instruments (primarily swap contracts) for the purposes of avoiding fair value risk.

Derivative financial instruments which is calculated with the fair value on the agreement date, is calculated again with the fair value on the financial statements date. When changes in fair value of derivative financial instruments occur, they are accounted for income statement.

As of 31 December 2015 foreign currency purchase / sale agreement details are shown in Note 21.

Interest Rate Risk

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

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

Interest Rate Sensitivity

If the interest rates of variable interest-bearing USD and EUR denominated borrowings were 100 basis points (1%) higher / lower with all other variables held constant, profit before tax for the year would have been lower / higher by TRY 4,103,414 at 31 December 2015 due to higher / lower interest expense (01 January - 31 December 2014: TRY 2,506,806 - 01 January - 31 December 2013: TRY 2,986,046).

Interest position table of the Group is as follows;

	31.12.2015	31.12.2014	31.12.2013
Fixed-rate financial instruments			
Financial assets			
-Assets of at fair value through profit or loss	161,468,705	120,557,407	4,213,222
Financial liabilities	593,587,689	471,514,741	206,923,773
Variable interest financial instruments			
Financial liabilities	410,341,356	250,680,637	298,604,646

Liquidity risk

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

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013
(Currency is in Turkish Lira ‘TRY’ unless expressed otherwise)

As of 31 December 2015, 2014 and 2013 liquidity risk table of the Group is as follows;

31 December 2015	Book value	Cash outflow according to agreement (=I+II+III+IV)	Less than 3 months (I)	Between 3-12 months (II)	Between 1- 5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Financial liabilities	1,003,929,045	1,077,973,162	109,845,437	184,815,255	674,684,095	108,628,375
	1,003,929,045	1,077,973,162	109,845,437	184,815,255	674,684,095	108,628,375

31 December 2015	Book value	Cash outflow according to expected maturities (=I+II+III+IV)	Less than 3 months (I)	Between 3-12 months (II)	Between 1- 5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Trade payables						
Related party	226,693	226,693	226,693	-	-	-
Third party	16,321,293	16,766,728	13,196,574	3,570,154	-	-
Employee benefits liabilities	757,758	757,758	757,758	-	-	-
Other payables						
Related party	9,862,388	9,862,388	-	9,862,388	-	-
Third party	14,933,175	14,933,175	3,963,667	10,473,393	496,115	-
Provisions	674,188	674,188	-	674,188	-	-
	42,775,495	43,220,930	18,144,692	24,580,123	496,115	-

31 December 2014	Book value	Cash outflow according to agreement (=I+II+III+IV)	Less than 3 months (I)	Between 3-12 months (II)	Between 1- 5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Financial liabilities	722,195,378	888,955,080	68,063,540	222,968,756	445,231,738	152,691,046
	722,195,378	888,955,080	68,063,540	222,968,756	445,231,738	152,691,046

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

31 December 2014	Book value	Cash outflow according to expected maturities (=I+II+III+IV)	Less than 3 months (I)	Between 3-12 months (II)	Between 1- 5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Trade payables						
Related party	211,015	211,015	211,015	-	-	-
Third party	36,867,534	38,424,968	26,139,264	8,285,704	4,000,000	-
Employee benefits liabilities	690,405	690,405	690,405	-	-	-
Other payables						
Third party	25,678,342	25,678,342	11,767,295	13,598,495	312,552	-
Provisions	240,136	240,136	-	240,136	-	-
	63,687,432	65,244,866	38,807,979	22,124,335	4,312,552	-

31 December 2013	Book value	Cash outflow according to agreement (=I+II+III+IV)	Less than 3 months (I)	Between 3-12 months (II)	Between 1- 5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Financial liabilities	505,528,419	597,192,745	57,305,015	155,895,360	285,022,979	98,969,391
	505,528,419	597,192,745	57,305,015	155,895,360	285,022,979	98,969,391

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**
(Currency is in Turkish Lira 'TRY' unless expressed otherwise)

31 December 2013	Book value	Cash outflow according to expected maturities (=I+II+III+IV)	Less than 3 months (I)	Between 3- 12 months (II)	Between 1- 5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Trade payables						
Third party	92,647,006	94,204,503	31,709,035	58,495,468	4,000,000	-
Employee benefits liabilities	1,294,203	1,294,202	1,294,202	-	-	-
Other payables						
Third party	11,854,209	11,854,209	502,819	4,835,652	6,515,738	-
Provisions	145,643	145,643	-	145,643	-	-
	105,941,061	107,498,557	33,506,056	63,476,763	10,515,738	-

Derivative Financial Instruments	Book value	Cash outflow according to agreement	Less than 3 months	Between 3 - 12 months	Between 1-5 years	More than 5 years
Payable swap transaction amount	-	(93,553,459)	(4,736,884)	(10,657,989)	(56,842,608)	(21,315,978)
Amount of 31 December 2015	-	99,924,528	5,059,470	11,383,807	60,713,637	22,767,614
Derivative financial instruments, net	-	6,371,069	322,586	725,818	3,871,029	1,451,636

Foreign Currency Risk

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

As of 31 December 2015, 2014 and 2013 exchange rates are as follows:

	31.12.2015	31.12.2014	31.12.2013
USD	2.9076	2.3189	2.1343
EUR	3.1776	2.8207	2.9365

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

As of 31 December 2015 amounts of assets and liabilities of the Group in foreign currency are as follows:

	31.12.2015		
	TRY equivalent functional currency	USD	EUR
1. Trade Receivables	-	-	-
2a. Monetary Financial Assets (Including cash, banks)	97,438,357	31,304,075	2,019,961
2b. Non-monetary financial assets	-	-	-
3. Other	-	-	-
4. Current Assets (1+2+3)	97,438,357	31,304,075	2,019,961
5. Trade Receivables	-	-	-
6a. Monetary financial assets	46,954,891	16,149,020	-
6b. Non-monetary financial assets	-	-	-
7. Other	-	-	-
8. Non-Current Assets (5+6+7)	46,954,891	16,149,020	-
9. Total Assets (4+8)	144,393,247	47,453,095	2,019,961
10. Trade Payables	-	-	-
11. Financial Liabilities	80,673,440	10,142,434	16,107,534
12a. Other monetary liabilities	-	-	-
12b. Other non-monetary liabilities	-	-	-
13. Current Liabilities (10+11+12)	80,673,440	10,142,434	16,107,534
14. Trade Payables	-	-	-
15. Financial Liabilities	603,163,702	74,568,555	121,584,897
16a. Other monetary liabilities	-	-	-
16b. Other non-monetary liabilities	-	-	-
17. Non-Current Liabilities (14+15+16)	603,163,702	74,568,555	121,584,897
18. Total Liabilities	683,837,141	84,710,989	137,692,431
19. Net asset / liability position of off- balance sheet derivative instruments (19a-19b)	6,371,069	-	2,004,994
19a. Hedged amount of assets	6,371,069	-	2,004,994
19b. Hedged amount of liabilities	-	-	-
20. Net foreign currency position asset / liabilities (9-18+19)	(533,072,825)	(37,257,894)	(133,667,476)
21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(539,443,894)	(37,257,894)	(135,672,470)
22. Fair value of derivative instruments used in foreign currency hedge	-	-	-

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

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

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

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

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

EMAY İNŞAAT TAAHHÜT SANAYİ VE TİCARET ANONİM ŞİRKETİ,
ITS SUBSIDIARIES AND JOINT OPERATIONS
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013
 (Currency is in Turkish Lira 'TRY' unless expressed otherwise)

Foreign Currency Risk Sensitivity

As of 31 December 2015 if TRY evaluates / devaluates against foreign currency by 10% and all other variables remains the same, profit before tax which occurs as a result of the foreign exchange loss / gain arising from net foreign exchange exposure would have been TRY 53,307,282 more / less.

	Profit / (Loss) / Shareholders Equity	
	Appreciation of foreign currency against TRY	Depreciation of foreign currency against TRY
	In case of appreciation / depreciation of USD against TRY by 10%	
1-USD net asset / liability	(10,833,105)	10,833,105
2- Hedged amount against USD risk (-)	-	-
3-USD net effect (1+2)	(10,833,105)	10,833,105
	In case of appreciation / depreciation of EUR against TRY by 10%	
4- EUR net asset / liability	(42,474,177)	42,474,177
5- Hedged amount against EUR risk (-)	-	-
6- EUR net effect (4+5)	(42,474,177)	42,474,177
TOTAL (3+6)	(53,307,282)	53,307,282

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

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

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

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

Capital Risk Management

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

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

As of 31 December 2015, 2014 and 2013 net debt / total equity ratio is as follows:

	31.12.2015	31.12.2014	31.12.2013
Total debts	1,279,692,393	922,381,329	715,789,765
Less: Liquid assets	173,865,912	129,557,642	28,015,522
Net debt	1,105,826,481	792,823,687	687,774,243
Total equity	476,100,730	373,543,088	298,670,618
Total capital	1,581,927,211	1,166,366,775	986,444,861
Net Debt/ Total Capital	70%	68%	70%

NOTE 33 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING DISCLOSURES)

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

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

Financial Assets

Monetary assets for which fair value approximates carrying value:

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013

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

Financial Liabilities

Monetary liabilities for which fair value approximates carrying value:

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

Fair value hierarchy

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

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

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

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

The fair values of the financial liabilities were estimated with using the method of discount of future cash flows based on the contracts by current period interest rates of similar financial instruments classified as Level 2 which is appropriate for the Company. Fair values of short term trade receivables and payables are estimated by deducting provision of impairment from their book values.

31 December 2015	Level 1	Level 2	Level 3
Time deposits (including account of financial investments)	-	161,468,705	-
Derivative financial instruments	-	6,371,069	-

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

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

Financial liabilities that deducted from transaction costs in the balance sheet are presented with their fair values. The fair values of the financial liabilities were estimated with using the method of discount of future cash flows based on the contracts by current period interest rates of similar financial instruments classified as Level 2 which is appropriate for the Group. Fair values of short term trade receivables and payables are estimated by deducting provision of impairment from their book values. In the period ended at 31 December 2015, 2014 and 2013 Group has not made any transfer between 1st level and 2nd level or from 3rd.

As of 31 December 2015, classifications and fair values of financial assets are as follows;

	Loans and receivables (Including cash and cash equivalents)	Financial liabilities showed by amortized value	Financial assets as at fair value through profit or loss	Book value	Note
<u>Financial assets</u>					
Cash and cash equivalents	97,224,766	-	-	97,224,766	6
Trade receivables	48,080,446	-	-	48,080,446	9
Financial investments	76,641,146	-	-	76,641,146	7
<u>Financial liabilities</u>					
Financial payables	-	1,003,929,045	-	1,003,929,045	8
Trade payables	-	16,547,986	-	16,547,986	9

As of 31 December 2014, classifications and fair values of financial assets are as follows;

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED AT 31 DECEMBER 2015, 2014 AND 2013**

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

As of 31 December 2013, classifications and fair values of financial assets are as follows;

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

NOTE 34 – POST BALANCE SHEET EVENTS

Details of the “Land Share In Return of Income Sharing Agreement” ,that was signed in January 8, 2016, between the land owners; Organik Gıda A.Ş., Nimet Güvener, Aysun Güvener and Emay İnşaat Taahhüt Sanayi Ticaret A.Ş., Emlak Planlama İnşaat Proje Yönetimi ve Ticaret A.Ş. are stated as below:

The agreement was signed for the land which has an acreage of 237,630.58 m2, in Yalova/Armutlu/ Keçi Kayası. Contractor company agreed to pay 27% + VAT (as company’s income ratio from the land sharing) of total income (return of income from every part that will be sold) from the land sharing. The total ratio of 27% will be divided between the land owners and the company. 21.6% of the share will be given to the land owners, and 5.4% will be given to the company. The ratio of income from the land sharing to the amount of contractor company’s receivable is 73%. After the planning permission is given, duration of the work is 1275 days. Contractor company must deliver the business area in the specified date. If delay exceeds 45 days, the company may unilaterally terminate the contract. Upon execution of the sales process, the price of the land will be shared in the same way of total revenue of land sales, 80% to the land owners and 20% to the company. As of the report date, excavation work has not been started.

NOT 35 – OTHER ISSUES AFFECTING THE CONSOLIDATED FINANCIAL STATEMENTS SIGNIFICANTLY OR REQUIRED TO BE DISCLOSED FOR CLEAR, UNDERSTANDABLE AND INTERPRETABLE PRESENTATION

None (31 December 2014 and 2013: None).