

**ENKA İNŞAAT VE SANAYİ
ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

SUMMARY CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31
MARCH 2015

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ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

SUMMARY CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2015

(Amounts are expressed in thousands of U.S. Dollars ("USD") unless otherwise stated.)

ASSETS	31 March 2015	31 December 2014
Current Assets	3.195.332	3.271.583
Cash and cash equivalents	1.308.526	1.408.194
Financial investments	666.602	575.110
Trade receivables	727.337	720.122
Other receivables		
Other receivables from related parties	225	56
Other receivables from third parties	624	626
Inventories	252.045	259.856
Prepaid expenses	71.032	100.304
Costs and estimated earnings in excess of billings on uncompleted contracts	113.886	133.257
Other current assets	54.116	72.990
	<u>3.194.393</u>	<u>3.270.515</u>
Assets held for sale and discontinued operations	939	1.068
Non-Current Assets	4.571.589	4.541.186
Financial investments	1.082.618	1.006.905
Trade receivables	10.665	10.579
Investment properties	1.799.638	1.814.215
Property, plant and equipment	1.596.594	1.625.896
Intangible assets		
Goodwill	55.168	55.168
Other intangible assets	20.986	21.075
Deferred tax assets	53	53
Prepaid expenses	1.123	2.515
Other non-current assets	4.744	4.780
	<u>4.566.845</u>	<u>4.537.727</u>
TOTAL ASSETS	<u>7.766.921</u>	<u>7.812.769</u>

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES**SUMMARY CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2015**

(Amounts are expressed in thousands of U.S. Dollars ("USD") unless otherwise stated.)

	31 March 2015	31 December 2014
LIABILITIES		
Current Liabilities	1.294.242	1.362.466
Short-term borrowings	2.000	6.245
Current portion of long-term borrowings	40.471	43.148
Trade payables	518.121	537.216
Payables to employees	22.386	26.568
Other payables		
Payables to related parties	1.287	1.378
Payables to third parties	25.057	29.462
Billings in excess of costs and estimated earnings on uncompleted contracts	193.220	224.087
Deferred income	300.330	323.731
Taxation on income	64.054	51.706
Provisions		
Provisions for employee benefits	26.929	21.034
Other provisions	60.132	56.261
Other current liabilities	40.255	41.630
Non-Current Liabilities	1.210.997	1.235.545
Long-term borrowings	219.713	220.163
Trade payables	1.898	1.900
Other payables	26.985	27.690
Deferred income	578.917	610.079
Provisions for employee benefits	15.284	16.294
Deferred tax liabilities	368.200	359.419
EQUITY	5.261.682	5.214.758
Equity Attributable to Equity Holders of the Parent	5.207.233	5.157.144
Share capital	2.230.412	2.230.412
Revaluation surplus	160.400	161.888
Currency translation difference	(1.116.580)	(994.861)
Other reserves	1.986	1.986
Legal reserves and accumulated profit	3.931.015	3.757.719
Non-Controlling Interests	54.449	57.614
TOTAL LIABILITIES AND EQUITY	7.766.921	7.812.769

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

SUMMARY CONSOLIDATED STATEMENT OF INCOME FOR THE PERIOD ENDED 31 MARCH 2015

(Amounts are expressed in thousands of U.S. Dollars ("USD") unless otherwise stated.)

	Notes	1 January - 31 March 2015	<i>Reclassified (Note 2)</i> 1 January - 31 March 2014
CONTINUING OPERATIONS			
Revenue	2	1.280.671	1.458.996
Cost of revenues (-)	2	(1.057.216)	(1.225.008)
GROSS PROFIT		223.455	233.988
Marketing, selling and distribution expenses (-)	2	(6.310)	(7.038)
Administrative expenses (-)	2	(26.837)	(26.050)
Other operating income	2	8.649	11.239
Other operating expenses (-)	2	(13.399)	(21.140)
PROFIT FROM OPERATIONS		185.558	190.999
Income from investing activities	2	75.548	55.286
Expenses from investing activities	2	(27.213)	(9.559)
OPERATING PROFIT BEFORE FINANCE EXPENSES		233.893	236.726
Financial income	2	15.761	16.099
Financial expenses (-)	2	(24.150)	(21.329)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		225.504	231.496
Current tax expense (-)	2	(38.571)	(44.214)
Deferred tax expense	2	(12.688)	(11.870)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		174.245	175.412
DISCONTINUED OPERATIONS			
Profit for the year from discontinued operations, net of tax		-	(2.080)
NET PROFIT FOR THE YEAR		174.245	173.332
Attributable to:			
Non-controlling interest		1.451	11.279
Equity holders of the parent		172.794	162.053
		174.245	173.332
Earnings per share from discontinued operations			
- ordinary share certificate (full cent)		-	-
Earning per share from continuing operations			
- ordinary share certificate (full cent)		0,05	0,05
Weighted average number of shares (1 cent weighted average shares)			
		360.000.000.000	360.000.000.000

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2015

(Amounts are expressed in thousands of U.S. Dollars ("USD") unless otherwise stated.)

	1 January - 31 March 2015	1 January - 31 March 2014
NET PROFIT FOR THE YEAR	174.245	173.332
Other Comprehensive Income / (Expense):		
Items that will not be reclassified subsequently to profit or loss	(986)	(831)
Loss on remeasurement of defined benefit plans	-	-
<i>Changes in revaluation fund of property</i>	<i>(986)</i>	<i>(831)</i>
Gain arising during the year	-	-
Tax effect	-	-
Changes in translation difference in property valuation increase	(986)	(831)
Items that may be reclassified subsequently to profit or loss	(126.335)	(123.638)
Changes in currency translation difference	(126.335)	(123.638)
<i>Changes in cash flow hedge</i>	<i>-</i>	<i>-</i>
Gain arising during the period	-	-
Tax effect	-	-
OTHER COMPREHENSIVE LOSS	(127.321)	(124.469)
TOTAL COMPREHENSIVE INCOME	46.924	48.863
Attributable to:		
Non-controlling interest	(3.165)	11.034
Equity holders of the parent	50.089	37.829
	46.924	48.863

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2015

(Amounts are expressed in thousands of U.S. Dollars ("USD") unless otherwise stated.)

	Share capital	Revaluation surplus	Currency translation difference	Other reserves	Legal reserves and accumulated profit	Total	Non-controlling interests	Total equity
Balance at 1 January 2014	2.040.352	232.143	(206.697)	1.986	3.529.559	5.597.343	63.726	5.661.069
Total other comprehensive income	-	(831)	(123.393)	-	-	(124.224)	(245)	(124.469)
Profit for the period	-	-	-	-	162.053	162.053	11.279	173.332
Total comprehensive income	-	(831)	(123.393)	-	162.053	37.829	11.034	48.863
Transfer of depreciation difference (net of deferred tax) of revaluation effect	-	(1.175)	-	-	1.175	-	-	-
Dividends paid	-	-	-	-	-	-	(17)	(17)
Balance at 31 March 2014	2.040.352	230.137	(330.090)	1.986	3.692.787	5.635.172	74.743	5.709.915
Balance at 1 January 2015	2.230.412	161.888	(994.861)	-	1.986	3.757.719	57.614	5.214.758
Total other comprehensive income	-	(986)	(121.719)	-	-	(122.705)	(4.616)	(127.321)
Profit for the period	-	-	-	-	172.794	172.794	1.451	174.245
Total comprehensive income	-	(986)	(121.719)	-	172.794	50.089	(3.165)	46.924
Transfer of depreciation difference (net of deferred tax) of revaluation effect	-	(502)	-	-	502	-	-	-
Balance at 31 March 2015	2.230.412	160.400	(1.116.580)	1.986	3.931.015	5.207.233	54.449	5.261.682

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2014

(Amounts are expressed in thousands of U.S. Dollars ("USD") unless otherwise stated.)

	1 January - 31 March 2015	1 January - 31 March 2014
Cash flows from operating activities		
Profit for the period	174.245	173.332
Adjustments to reconcile net income to net cash used in operating activities:		
- Depreciation and amortization of non-current assets	23.137	26.977
- Provision for employment termination benefits	24	1.042
- Allowance for doubtful receivables	(702)	468
- Provision for litigations	3.305	3.311
- Adjustments to deferred income from electricity sale	(31.176)	(22.955)
- Loss from fair value of forward transactions	3.669	(53)
- Interest expense	1.250	899
- Interest income	(16.820)	(16.320)
- Dividend income	(1.714)	(898)
- Provision for inventory impairment, net	(137)	(34)
- Gain on sale or disposal of property, plant and equipment, net	(149)	(902)
- Valuation of investment securities	16.300	(28.470)
- Tax expense	51.259	55.631
	<u>222.491</u>	<u>192.028</u>
Movements in working capital		
Decrease / (Increase) in trade and other receivables	4.639	(213.933)
Decrease in cost and estimated earnings in excess of billings on uncompleted contracts	19.370	1.500
Decrease / (Increase) in inventory	7.947	(61.902)
Increase / (Decrease) in other current assets and other non current assets	42.326	(13.984)
(Decrease) / Increase in trade and other payables	(19.096)	101.290
Increase/(decrease) in billings in excess of cost and estimated earnings on uncompleted contracts	(30.867)	45.464
(Decrease) / Increase in provision for liabilities and other liabilities	(31.355)	14.076
	<u>(7.036)</u>	<u>(127.489)</u>
Income taxes paid	(26.223)	(31.245)
Employee termination benefits paid	(277)	(323)
Net cash generated from operating activities	<u>188.955</u>	<u>32.971</u>
Cash flows from investing activities		
Financial investments	(183.506)	15.095
Proceeds on disposal or sale of property, plant and equipment	1.463	4.566
Purchases of property, plant and equipment, intangible assets and investment properties	(35.320)	(81.298)
Interest received	16.295	15.770
Dividend income	1.714	898
Net cash used in investing activities	<u>(199.354)</u>	<u>(44.969)</u>
Cash flows from financing activities		
Short-term borrowings, net	(4.245)	(1.666)
Addition to long-term borrowings	-	62.534
Repayments of long-term borrowings	(2.144)	(9.250)
Interest paid	(248)	(284)
Dividend paid to non-controlling interests	-	(17)
Net cash used in financing activities	<u>(6.637)</u>	<u>51.317</u>
Translation reserve	(82.632)	(4.025)
Net increase in cash and cash equivalents	<u>(99.668)</u>	<u>35.294</u>
Cash and cash equivalents at beginning of the period	1.407.194	1.271.136
Cash and cash equivalents at end of the period	<u>1.307.526</u>	<u>1.306.430</u>

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

(Amounts are expressed in thousands of U.S. Dollars ("USD") unless otherwise stated.)

1. ORGANIZATIONS AND OPERATIONS OF THE GROUP

Enka İnşaat ve Sanayi Anonim Şirketi ("the Group") was established on 4 December 1967 and registered in İstanbul, Turkey, under the Turkish Commercial Code. The address of the headquarters and registered office of Enka İnşaat is Balmumcu, Zincirlikuyu Yolu No:10, 34349 Enka Binası Beşiktaş, İstanbul, Turkey.

As of 28 June 2002, Enka İnşaat merged legally with its publicly traded shareholder company, Enka Holding Yatırım Anonim Şirketi (Enka Holding), which were under the common control of Tara Holding Anonim Şirketi and Tara and Gülçelik families. As of 31 March 2015, 12.61% of the shares of Enka İnşaat is traded publicly in İstanbul Stock Exchange (ISE).

As of 31 March 2015, the average numbers of white and blue-collar personnel are respectively 4.679 and 16.672 (31 December 2014 – 5.087 and 18.754).

For the purpose of the consolidated financial statements, Enka İnşaat, its consolidated subsidiaries and its joint operations are hereinafter referred to as "the Group".

The Group operates in geographical areas below:

- i. Turkey:* engaged in diverse types of construction activities including construction of industrial and social buildings, motorways and construction and operation of natural gas fired electrical energy generation facilities.
- ii. Russian Federation, Turkmenistan, Georgia and Kazakhstan:* engaged in construction activities and also in investment and development of real estate properties and shopping malls in Moscow, Russia.
- iii.* Engaged in construction activities in Gabon, Djibouti, Mauritania and Equatorial Guinea in Africa; Saudi Arabia, Oman, Iraq and Afganistan in Asia and also in Dominican Republic.
- iv. Europe:* engaged in construction and trading activities in Romania, the Netherlands, Switzerland, Germany and Kosovo.

2. BASIS OF PRESENTATION OF SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The summary consolidated financial statements of the Group are derived from condensed consolidated financial statements of the Group for the period ended 31 March 2015 prepared in accordance with the accounting principles promulgated by the Turkish Capital Market Board (CMB).

The summary consolidated financial statements are presented in U.S. Dollars (USD) and all values are rounded to the nearest thousand ('000) except when otherwise indicated. There is no difference in the summary consolidated financial statements derived from the condensed consolidated financial statements prepared in accordance with the accounting policies promulgated by CMB, except for the use of USD and TL as the presentation currency, respectively.

This summary interim financial information does not contain all the information required for the preparation of the annual financial statements, and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2014 prepared in accordance with International Financial Reporting Standards (IFRS).

Comparative information and reclassification of prior year financial statements

The Group prepares comparative consolidated financial statements, to enable readers to determine financial position and performance trends. For the purposes of effective comparison, comparative consolidated financial statements can be reclassified when deemed necessary by the Group, where descriptions on significant differences are disclosed. In the current year, the Group had made the reclassifications below in order to confront current year's presentation:

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

(Amounts are expressed in thousands of U.S. Dollars ("USD") unless otherwise stated.)

2. BASIS OF PRESENTATION OF SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

Comparative information and reclassification of prior year financial statements (cont'd)

- As the Group has classified Pimaş Plastik İnşaat Malzemeleri A.Ş.'s ("Pimas") operations to the discontinued operations, the consolidated statement of income for the period ended 31 March 2014 and segmental information note is reclassified in accordance with IFRS 5 Non-Current Assets Held For Sale and Discontinued Operations. The reclassification does not have any impact on prior period equity and net income.

3. SEGMENTAL INFORMATION

a) Business segments

	1 January - 31 March 2015					Consolidated
	Construction contracts	Rental	Trade and manufacturing	Energy	Eliminations	
Revenues	358.354	108.302	56.085	757.930	-	1.280.671
Inter-segment revenues	27.067	-	827	2.926	(30.820)	-
Cost of revenues	(297.881)	(28.861)	(45.618)	(684.856)	-	(1.057.216)
Inter-segment cost of revenues	(27.307)	-	(827)	(2.926)	31.060	-
Gross profit	60.233	79.441	10.467	73.074	240	223.455
Marketing, selling and distribution expenses	(2.426)	(1.300)	(2.534)	(50)	-	(6.310)
Administrative expenses	(18.853)	(3.090)	(2.745)	(2.249)	100	(26.837)
Other operating income	6.768	669	164	1.048	-	8.649
Other operating expenses (-)	(12.329)	(487)	(618)	(1)	36	(13.399)
Profit from operations	33.393	75.233	4.734	71.822	376	185.558
Investment income	75.526	13	-	9	-	75.548
Investment expenses (-)	(27.181)	(17)	(15)	-	-	(27.213)
Profit from operations Before Financial Income/(Expenses)	81.738	75.229	4.719	71.831	376	233.893
Financial income	7.268	893	2.802	5.361	(563)	15.761
Financial expenses (-)	(21.622)	(1.606)	(1.048)	(572)	698	(24.150)
Profit before tax	67.384	74.516	6.473	76.620	511	225.504
Taxation charge current (-)	(9.833)	(11.065)	(1.238)	(16.435)	-	(38.571)
Deferred taxation income/ (expenses)	(2.101)	(3.582)	(357)	(6.648)	-	(12.688)
Profit for the year from continuing operations	55.450	59.869	4.878	53.537	511	174.245

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

(Amounts are expressed in thousands of U.S. Dollars ("USD") unless otherwise stated.)

3. SEGMENTAL INFORMATION (cont'd)

a) Business segments (cont'd)

	31 March 2015					Consolidated
	Construction contracts	Rental	Trade and manufacturing	Energy		
Segment assets	3.652.194	1.942.909	263.360	1.908.026		7.766.489
Unallocated assets						432
Total assets	3.652.194	1.942.909	263.360	1.908.026		7.766.921
Segment liabilities	875.395	447.057	139.244	1.042.255		2.503.951
Unallocated liabilities						1.288
Total liabilities	875.395	447.057	139.244	1.042.255		2.505.239
	1 January - 31 March 2015					
	Construction contracts	Rental	Trade and manufacturing	Energy		Consolidated
Other segment information						
<u>Capital expenditures</u>						
Property, plant and equipment & investment property	9.143	25.295	14	321		34.773
Intangible assets	168	90	9	280		547
Total capital expenditures	9.311	25.385	23	601		35.320
Depreciation expense	7.972	1.646	474	12.643		22.735
Amortisation	315	19	39	29		402
	1 January - 31 March 2014					
	Construction contracts	Rental	Trade and manufacturing	Energy	Eliminations	Consolidated
Revenues	438.053	120.182	62.564	838.197	-	1.458.996
Inter-segment revenues	73.427	-	3.171	6.178	(82.776)	-
Cost of revenues	(381.748)	(31.377)	(49.902)	(761.981)	-	(1.225.008)
Inter-segment cost of revenues	(77.718)	-	(619)	(6.205)	84.542	-
Gross profit	52.014	88.805	15.214	76.189	1.766	233.988
Marketing, selling and distribution expenses	(2.982)	(1.625)	(2.431)	-	-	(7.038)
Administrative expenses	(15.972)	(4.316)	(3.446)	(2.518)	202	(26.050)
Other operating income	8.800	1.232	537	705	(35)	11.239
Other operating expenses (-)	(14.695)	(374)	(1.098)	(5.008)	35	(21.140)
Profit from operations	27.165	83.722	8.776	69.368	1.968	190.999
Investment income	55.258	5	-	23	-	55.286
Investment expenses (-)	(9.550)	(9)	-	-	-	(9.559)
Profit from operations						
Before Financial Income/(Expenses)	72.873	83.718	8.776	69.391	1.968	236.726
Financial income	9.374	6.358	515	1.476	(1.624)	16.099
Financial expenses (-)	(6.807)	(13.617)	(1.408)	(978)	1.481	(21.329)
Profit before tax	75.440	76.459	7.883	69.889	1.825	231.496
Taxation charge current (-)	(14.951)	(13.523)	(2.032)	(13.708)	-	(44.214)
Deferred taxation income/ (expenses)	(4.310)	(4.176)	72	(3.456)	-	(11.870)
Profit for the year from continuing operations	56.179	58.760	5.923	52.725	1.825	175.412

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

(Amounts are expressed in thousands of U.S. Dollars ("USD") unless otherwise stated.)

3. SEGMENTAL INFORMATION (cont'd)

a) Business segments (cont'd)

	1 January - 31 March 2014				
	Construction contracts	Real estate	Trade and manufacturing	Energy	Consolidated
Other segment information					
Capital expenditures					
Property, plant and equipment & investment property	26.679	53.019	306	207	80.211
Intangible assets	990	54	21	22	1.087
Total capital expenditures	27.669	53.073	327	229	81.298
Depreciation expense	10.748	1.183	1.108	12.606	25.645
Amortisation	1.209	38	61	24	1.332
	31 December 2014				
	Construction contracts	Rental	Trade and manufacturing	Energy	Consolidated
Segment assets	3.702.460	1.973.496	258.403	1.878.145	7.812.504
Unallocated assets					265
Total assets	3.702.460	1.973.496	258.403	1.878.145	7.812.769
Segment liabilities	943.933	464.608	122.597	1.065.494	2.596.632
Unallocated liabilities					1.379
Total liabilities	943.933	464.608	122.597	1.065.494	2.598.011

b) Geographical segments

	1 January - 31 March 2015					
	Turkey	Russian Federation, Kazakhstan	Europe	Iraq & Other	Eliminations	Consolidated
Net sales	942.885	173.207	14.616	149.963	-	1.280.671
Inter-segment sales	13.182	17.638	-	-	(30.820)	-
Capital expenditures	6.836	26.496	26	1.962	-	35.320
	31 March 2015					
	Turkey	Russian Federation, Kazakhstan	Europe	Iraq & Other	Eliminations	Consolidated
Segmental assets	4.472.358	2.227.863	622.173	444.095	-	7.766.489

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

(Amounts are expressed in thousands of U.S. Dollars ("USD") unless otherwise stated.)

3. SEGMENTAL INFORMATION (cont'd)

b) Geographical segments (cont'd)

	1 January - 31 March 2014					
	Turkey	Russian Federation, Kazakhstan	Europe	Iraq & Other	Eliminations	Consolidated
Net sales	1.101.369	188.111	300	169.216	-	1.458.996
Inter-segment sales	26.424	56.352	-	-	(82.776)	-
Capital expenditures	20.946	54.533	-	5.819	-	81.298

	31 December 2014					
	Turkey	Russian Federation, Kazakhstan	Europe	Iraq & Other	Eliminations	Consolidated
Segmental assets	4.507.738	2.267.007	582.823	454.936	-	7.812.504