

THE OTTOMAN FUND LIMITED

**Condensed Unaudited Interim Financial Statements and Half
Yearly Report**

For the six months ended 28 February 2015

THE OTTOMAN FUND LIMITED
CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 28 FEBRUARY 2015

Chairman's Statement

Dear Shareholders,

We have entered into agreements to sell our remaining units in Alanya for EUR 630,000 + VAT. We expect the transactions to close in early June. Once that transaction closes, the Company's only substantial asset will be cash. We will then take the necessary steps to transfer those funds to Jersey for distribution. The timing and amount of any distribution are uncertain because of various legal and tax issues, though I can assure you that the expeditious distribution of the Company's net assets is a high priority for the Company.

As previously announced, our former Chief Financial Officer embezzled Company assets in the net amount of \$1.35 million. We continue our efforts to recover the stolen money. We are preparing a criminal case against the former CFO and will ensure that the case receives wide publicity in Turkey.

I look forward to updating you on our progress when we release our annual report for the year ended 31 August 2015.

Very truly yours,

John D. Chapman
Chairman
The Ottoman Fund Limited
28 May 2015

THE OTTOMAN FUND LIMITED

CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 28 FEBRUARY 2015

Consolidated Statement of Comprehensive Income

| | | (unaudited) Six months ended 28 February 2015 £ | (unaudited) Six months ended 28 February 2014 £ | (audited) Year ended 31 August 2014 £ |
|------------------------------------------------------------|------|----------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------|
| Revenue | note | | | |
| Finance income | | 573,546 | 160,970 | 598,820 |
| Profit on sale of inventory | | - | 2,656,688 | 6,892,599 |
| (Impairment)/write back of inventory | 7 | - | (2,685,000) | 6,151,756 |
| Foreign exchange loss on sale of inventory | 7 | - | - | (23,075,220) |
| Total revenue | | 573,546 | 132,658 | (9,432,045) |
| Operating Expenses | | | | |
| Management/advisory fee | 3 | (100,000) | (186,401) | (1,105,409) |
| Other operating expenses | | (526,060) | (280,701) | (574,124) |
| Total operating expenses | | (626,060) | (467,102) | (1,679,533) |
| Foreign exchange gains | | 1,509,694 | 1,497,077 | 192,263 |
| Gain/(loss) before tax | | 1,457,180 | 1,162,633 | (10,919,315) |
| Taxation | 1(g) | (1,740,399) | (307,832) | (301,276) |
| (Loss)/gain for the period | | (283,219) | 854,801 | (11,220,591) |
| Other comprehensive loss | | | | |
| Foreign exchange on subsidiary translation | | (244,681) | (1,140,729) | (1,055,578) |
| Foreign exchange loss on sale of inventory | | - | (11,855,443) | - |
| Other comprehensive loss for the period | | (244,681) | (12,996,172) | (1,055,578) |
| Total comprehensive loss for the period | | (527,900) | (12,141,371) | (12,276,169) |
| (Loss)/gain attributable to: | | | | |
| Equity shareholders of the Company | | (283,219) | 854,801 | (11,220,591) |
| Minority interests | | - | - | - |
| | | (283,219) | 854,801 | (11,220,591) |
| Total comprehensive loss attributable to: | | | | |
| Equity shareholders of the Company | | (527,900) | (12,141,365) | (12,276,158) |
| Minority interests | | - | (6) | (11) |
| | | (527,900) | (12,141,371) | (12,276,169) |
| Basic and diluted (loss)/earnings per share (pence) | 4 | (0.21) | 0.63 | (8.33) |

The accompanying notes on pages 6 to 16 are an integral part of the financial statements.

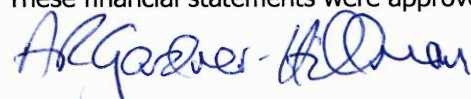
THE OTTOMAN FUND LIMITED
 CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
 FOR THE SIX MONTHS ENDED 28 FEBRUARY 2015

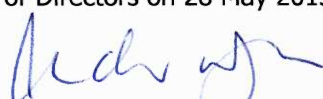
Consolidated Statement of Financial Position

| | | (unaudited) Six months ended 28 February 2015 £ | (unaudited) Six months ended 28 February 2014 £ | (audited) Year ended 31 August 2014 £ |
|----------------------------------------------------|----|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------|
| Assets | | | | |
| Non-current assets | | | | |
| Intangible assets | 5 | - | - | - |
| Plant and equipment | 6 | - | - | - |
| Inventories | 7 | - | 33,918,775 | - |
| Loans and receivables | 8 | 967,411 | 2,014,709 | 1,933,733 |
| | | <u>967,411</u> | <u>35,933,484</u> | <u>1,933,733</u> |
| Current assets | | | | |
| Other receivables | | 588,251 | 341,003 | 1,227,634 |
| Cash and cash equivalents | | 7,742,008 | 37,536,437 | 37,902,728 |
| | | <u>8,330,259</u> | <u>37,877,440</u> | <u>39,130,362</u> |
| Total assets | | <u>9,297,670</u> | <u>73,810,924</u> | <u>41,064,095</u> |
| Current liabilities | | | | |
| Other payables | | (606,242) | (5,670,007) | (88,003) |
| | | <u>(606,242)</u> | <u>(5,670,007)</u> | <u>(88,003)</u> |
| Net assets | | <u>8,691,428</u> | <u>68,140,917</u> | <u>40,976,092</u> |
| Equity | | | | |
| Share capital | 9 | 52,636,216 | 111,423,007 | 84,392,980 |
| Retained earnings | | (41,907,944) | (29,549,333) | (41,624,725) |
| Translation reserve | | (2,036,844) | (13,732,762) | (1,792,163) |
| Equity attributable to owners of the parent | | <u>8,691,428</u> | <u>68,140,912</u> | <u>40,976,092</u> |
| Minority interest equity | | - | 5 | - |
| Total Equity | | <u>8,691,428</u> | <u>68,140,917</u> | <u>40,976,092</u> |
| Net asset value per Ordinary share (pence) | 10 | 6.4 | 50.6 | 30.4 |

The accompanying notes on pages 6 to 16 are an integral part of the financial statements.

These financial statements were approved by the Board of Directors on 28 May 2015.


 Antony R. Gardner-Hillman


 Andrew I. Wignall

THE OTTOMAN FUND LIMITED
CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 28 FEBRUARY 2015

Consolidated Statement of Changes in Equity

| | Share capital £ | Retained earnings £ | Translation reserve £ | Minority interest £ | Total £ |
|--------------------------------------------------------------|-----------------------|---------------------------|-----------------------------|---------------------------|-------------------|
| For the six months ended 28 February 2015 (unaudited) | | | | | |
| As at 1 September 2014 | 84,392,980 | (41,624,725) | (1,792,163) | - | 40,976,092 |
| Return of capital | (31,756,764) | - | - | - | (31,756,764) |
| Loss for the period | - | (283,219) | - | - | (283,219) |
| Foreign exchange on subsidiary translation | - | - | (244,681) | - | (244,681) |
| At 28 February 2015 | 52,636,216 | (41,907,944) | (2,036,844) | - | 8,691,428 |
| For the six months ended 28 February 2014 (unaudited) | | | | | |
| As at 1 September 2013 | 120,003,007 | (30,404,134) | (736,596) | 11 | 88,862,288 |
| Return of capital | (8,580,000) | - | - | - | (8,580,000) |
| Gain for the period | - | 854,801 | - | - | 854,801 |
| Foreign exchange on subsidiary translation | - | - | (12,996,166) | (6) | (12,996,172) |
| At 28 February 2014 | 111,423,007 | (29,549,333) | (13,732,762) | 5 | 68,140,917 |
| For the year ended 31 August 2014 (audited) | | | | | |
| As at 1 September 2013 | 120,003,007 | (30,404,134) | (736,596) | 11 | 88,862,288 |
| Return of capital | (35,610,027) | - | - | - | (35,610,027) |
| Loss for the year | - | (11,220,591) | - | - | (11,220,591) |
| Foreign exchange on subsidiary translation | - | - | (1,055,567) | (11) | (1,055,578) |
| At 31 August 2014 | 84,392,980 | (41,624,725) | (1,792,163) | - | 40,976,092 |

The accompanying notes on pages 6 to 16 are an integral part of the financial statements.

THE OTTOMAN FUND LIMITED

CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 28 FEBRUARY 2015

Consolidated Statement of Cash Flows

| | (unaudited) Six months ended 28 February 2015 | (unaudited) Six months ended 28 February 2014 | (audited) Year ended 31 August 2014 |
|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-------------------------------------------|
| | £ | £ | £ |
| Cash flow from operating activities | | | |
| Net gain/(loss) for the period | (283,219) | 854,801 | (11,220,591) |
| Adjustments for: | | | |
| Interest | (573,546) | (160,970) | (598,820) |
| Tax | 1,740,399 | 307,832 | 301,276 |
| Depreciation | - | 3,462 | 3,462 |
| Amortisation | - | 774 | 774 |
| Impairment/(write back) of inventory | - | 2,685,000 | (6,151,756) |
| Profit on sale of inventory | - | (2,656,688) | (6,892,599) |
| | 883,634 | 1,034,211 | (24,558,254) |
| Net foreign exchange losses/(gains) | (163,813) | 1,598,768 | 22,183,405 |
| Decrease/(increase) in other receivables | 639,383 | 335,718 | (550,913) |
| Increase/(decrease) in other payables | 518,239 | 5,571,530 | (10,474) |
| Net cash inflow/(outflow) from operating activities before interest, depreciation, amortisation and tax | 1,877,443 | 8,540,227 | (2,936,236) |
| Interest received | 573,546 | 160,970 | 598,820 |
| Taxation | (1,740,399) | (307,832) | (301,276) |
| Net cash inflow/(outflow) from operating activities | 710,590 | 8,393,365 | (2,638,692) |
| Cash flow from investing activities | | | |
| Purchase of inventories | - | (39,389) | (39,389) |
| Proceeds on sale of inventories | - | 34,169,267 | 72,597,621 |
| Repayment of loan | 885,414 | 826,220 | 826,220 |
| Net cash inflow from investing activities | 885,414 | 34,956,099 | 73,384,452 |
| Cash flow from financing activities | | | |
| Return of Capital | (31,756,764) | (8,580,000) | (35,610,027) |
| Net cash outflow from financing activities | (31,756,764) | (8,580,000) | (35,610,027) |
| Net increase/(decrease) in cash and cash equivalents | (30,160,764) | 34,769,463 | 35,135,733 |
| Cash and cash equivalents at start of period | 37,902,728 | 2,766,951 | 2,766,951 |
| Effect of foreign exchange rates | 40 | 23 | 44 |
| Cash and cash equivalents at end of period | 7,742,008 | 37,536,437 | 37,902,728 |

The accompanying notes on pages 6 to 16 are an integral part of the financial statements.