

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONVENIENCE TRANSLATION OF
THE CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 MARCH 2012
TOGETHER WITH AUDITOR'S REVIEW REPORT**

(ORIGINALLY ISSUED IN TURKISH)



**CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR'S REVIEW REPORT
(ORIGINALLY ISSUED IN TURKISH)**

To the Board of Directors of
Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş.

Introduction

1. We have reviewed the accompanying condensed balance sheet of Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. ("the Company") as of 31 March 2011 and the related condensed statements of comprehensive income, changes in equity and cash flows for the three-month period then ended. Management is responsible for the preparation and fair presentation of these condensed interim financial information in accordance with financial reporting standards endorsed by the Capital Markets Board of Turkey. Our responsibility is to express a conclusion on these condensed interim financial information based on our review.

Scope of review

2. We conducted our review in accordance with the principles and standards on the review of interim financial information as set out in Section 34 of the Communiqué No: X-22 on the auditing standards issued by the Capital Markets Board. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with independent auditing standards issued by the Capital Markets Board and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

3. Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared in accordance with financial reporting standards endorsed the by the Capital Markets Board of Turkey (Note 2).



Additional paragraph for convenience translation into English

4. The financial reporting standards described in Note 2 (defined as "CMB Financial Reporting Standards") to the financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting for the period between 1 January - 31 December 2005. Accordingly, the accompanying financial statements are not intended to present the financial position, financial performance and consolidated cash flows of the Company in accordance with IFRS.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read "Cansen Başaran Symes".

Cansen Başaran Symes, SMMM
Partner

Istanbul, 3 May 2012

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

FINANCIAL STATEMENTS AT 31 MARCH 2012

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AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**CONVENIENCE TRANSLATION OF THE CONDENSED BALANCE SHEETS
AT 31 MARCH 2012 AND 31 DECEMBER 2011**

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

	Notes	Reviewed 31 March 2012	Audited 31 December 2011
ASSETS			
Current assets		42,734,519	26,509,293
Cash and cash equivalents	3	40,271,149	25,689,014
Trade receivables	4	1,674,674	813,643
Other current assets	7	788,696	6,636
Non-current assets		139,030,579	139,998,478
Investment property		138,301,269	139,271,229
Property and equipment	5	-	1,452
Intangible assets		8,133	4,620
Other non-current assets	7	721,177	721,177
Total assets		181,765,098	166,507,771
LIABILITIES			
Current liabilities		5,805,308	5,099,886
Trade payables			
-Due to related parties	16	6,248	2,108
-Other trade payables	4	192,698	144,400
Other payables	4	844,961	759,960
Debt provision	6	2,704,428	3,012,160
Other current liabilities	7	2,056,973	1,181,258
Non-current liabilities		231,296	239,514
Provision for employment termination benefit		76,532	74,624
Other liabilities	7	154,764	164,890
Equity		175,728,494	161,168,371
Share capital	8	37,264,000	37,264,000
Adjustment to share capital	8	27,745,263	27,745,263
Restricted reserves	8	35,622,015	35,622,015
Retained earnings	8	60,537,093	18,523,535
Net income for the period	8	14,560,123	42,013,558
Total liabilities and equity		181,765,098	166,507,771

These interim financial statements for the period ended 31 March 2012 have been approved by the Board of Directors held on 3 May 2012.

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**CONVENIENCE TRANSLATION OF THE CONDENSED STATEMENTS OF
COMPREHENSIVE INCOME FOR THE THREE MONTH INTERIM PERIODS
ENDED 31 MARCH 2012 AND 2011**

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

	Notes	Reviewed 1 January - 31 March 2012	Reviewed 1 January - 31 March 2011
CONTINUING OPERATIONS:			
OPERATING INCOME			
Sales - net	9	18,323,321	14,101,743
Cost of sales (-)	9	(5,468,637)	(5,250,331)
Gross profit		12,854,684	8,851,412
General administrative expenses (-)		(627,842)	(964,746)
Other operating income - net	11	1,366,956	760,000
Operating profit		13,593,798	8,646,666
Financial income	12	1,021,144	1,017,579
Financial expenses (-)	13	(54,819)	(990,858)
Continuing operations profit before tax	15	14,560,123	8,673,387
Tax income/expenses on the continuing operations		-	-
Continuing operations net profit for the period	15	14,560,123	8,673,387
Other comprehensive income		-	-
Total comprehensive income	15	14,560,123	8,673,387
Earnings per share	15	0.39	0.23

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**CONVENIENCE TRANSLATION OF THE CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTH INTERIM PERIODS ENDED 31 MARCH 2012 AND 2011**

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

	Notes	Share capital	Adjustment to share capital	Restricted reserves	Retained earnings	Net profit for the profit	Total equity
1 January 2011		13,700,000	27,745,263	33,334,115	15,139,347	29,236,088	119,154,813
Transfers	8	-	-	-	29,236,088	(29,236,088)	-
Net profit for the period	8	-	-	-	-	8,673,387	8,673,387
31 March 2011		13,700,000	27,745,263	33,334,115	44,375,435	8,673,387	127,828,200
1 January 2012		37,264,000	27,745,263	35,622,015	18,523,535	42,013,558	161,168,371
Transfers	8	-	-	-	42,013,558	(42,013,558)	-
Net profit for the period	8	-	-	-	-	14,560,123	14,560,123
31 March 2012		37,264,000	27,745,263	35,622,015	60,537,093	14,560,123	175,728,494

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONVENIENCE TRANSLATION OF THE CONDENSED
STATEMENTS OF CASH FLOWS FOR THE THREE MONTH INTERIM
PERIODS ENDED 31 MARCH 2012 AND 2011**

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

	Notes	1 January - 31 March 2012	1 January - 31 March 2011
Cash flows from operating activities			
Profit before tax		14,560,123	8,673,387
Adjustments to reconcile net cash generated from operating activities to income before tax			
Unrealized foreign exchange losses on borrowings		-	39,143
Depreciation	10	971,878	976,833
Employment termination benefit provision		1,908	24,682
Debt provisions	6	-	102,369
Provision for doubtful receivables	10	-	138,728
Rediscount on notes receivable and cheques		-	(2,323)
Interest income	12	(971,293)	(276,671)
Provision expenses		200,516	203,186
Interest expense	13	32,993	208,951
Reversal provisions		(231,319)	-
Operating profit before changes in operating assets and liabilities		14,564,806	10,088,285
(Increase)/decrease in accounts receivable		(861,031)	515,773
(Increase)/decrease in other current/non-current assets		(782,060)	1,403,125
Decrease in accounts payable		(25,670)	(3,044)
Increase in other payables		74,875	117,556
Increase in other liability		675,199	242,669
Net cash generated from operating activities		13,646,119	12,364,364
Interest received		998,413	277,488
Purchase of intangible assets		(3,978)	-
(Increase)/decrease in advance given for non-current assets		-	(3,405,861)
Purchase of investment property	5	-	(1,594,360)
Net cash used in investing activities		994,435	(4,722,733)
Cash inflows from long-term and short-term borrowings		-	-
Interest paid		(31,298)	-
Net cash used in financing activities		(31,298)	-
Net increase/(decrease) in cash and cash equivalents		14,609,256	7,641,631
Cash and cash equivalents at the beginning of the period		25,613,500	8,895,501
Cash and cash equivalents at the end of the period	3	40,222,756	16,537,132

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2012

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

The main activity of Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. (the "Company") is to create value through the ownership of real estates investment property. The address of the Company is as follows:

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

The trade name "Akmerkez Gayrimenkul Yatırımı A.Ş." has been changed as "Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş." in the Extraordinary Shareholders Meeting held on 17 February 2005 and this change has been registered on 24 February 2005 by the Ministry of Trade.

With respect to the Board Decision dated 21 June 2005, the trade name of the Company is set as "Akmerkez Alışveriş Merkezi" and this name is certified by the Istanbul Trade Registry as at 1 July 2005.

The Company's shares have been quoted on the Istanbul Stock Exchange ("ISE") since 15 April 2005 and 50.04% of these shares are publicly quoted shares as of 31 March 2012.

The shareholding structure as of 31 March 2012 and 31 December 2011 is as follows:

	31 March 2012	31 December 2011
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	%13.12	%13.12
Tekfen Holding A.Ş.	%10.79	%10.79
Quoted to İstanbul Stock Exchange	%50.04	%50.04
Other (*)	%26.05	%26.05
Total	%100.00	%100.00

(*) Represents total of shareholders less than 10%.

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

	31 March 2012	31 December 2011
Administrative	4	4

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2012

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Accounting Standards

The CMB regulated the principles and procedures of preparation, presentation and announcement of financial statements prepared by the entities with the Communiqué No: XI-29, "Principles of Financial Reporting in Capital Markets" ("the Communiqué"). According to the Communiqué, entities shall prepare their financial statements in accordance with International Financial Reporting Standards ("IAS/IFRS") endorsed by the European Union. Until the differences of the IAS/IFRS as endorsed by the European Union from the ones issued by the International Accounting Standards Board ("IASB") are announced by the Turkish Accounting Standards Board ("TASB"), IAS/IFRS issued by the IASB shall be applied. Accordingly, Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") issued by the TASB, which are in line with the aforementioned standards shall be considered.

The Company prepares its financial statements within the framework of Communiqué XI, No:29 and related promulgations to this Communiqué as issued by CMB, in accordance with the CMB Financial Reporting Standards which are based on IAS/IFRS and prepares its condensed interim financial statements also in accordance with IAS 34 "Interim Financial Reporting". The condensed interim financial statements and the related notes to them are presented in accordance with the formats recommended by the CMB and including the compulsory disclosures.

The Company maintains its books of account and prepare their statutory financial statements in TRY in accordance with the Turkish Commercial Code (the "TCC"), tax legislation, and the Uniform Chart of Accounts issued by the Ministry of Finance. These condensed interim financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the CMB Financial Reporting Standards.

Adjustment of Financial Statements During Hyper-Inflationary Periods:

With the decision taken on 17 March 2005, the CMB announced that, effective from 1 January 2005, for companies operating in Turkey and preparing their financial statements in accordance with CMB Financial Reporting Standards, the application of inflation accounting is no longer required. Accordingly, IAS 29, "Financial Reporting in Hyperinflationary Economies", issued by the IASB, has not been applied in the financial statements for the accounting periods starting 1 January 2005.

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Company's functional and presentation currency is TL.

**CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED
FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD
ENDED 31 MARCH 2012**

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

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

2.1.2 Compliance with portfolio restrictions

The information included in Note 2, “ Supplementary Note : Control of Compliance with Portfolio Restrictions” represent a condensed information based on the figures extracted from the interim financial statements that are prepared in accordance with the Communiqué Serial XI, No: 29 “Principals of Financial Reporting in Capital Markets” of the CMB. This condensed information has been prepared in accordance with the requirements of Communiqué Serial VI, No: 11 “Principals of The Real Estate Investment Trusts” of the CMB particularly relating to the principles regarding the control of compliance to portfolio restrictions.

2.2 Summary of Significant Accounting Policies

2.2.1 Comparative Figures and the Reclassification to the Financial Statements of the Prior Period

The Company complies with the principles and articles of applicable commercial laws and regulations and Communiqués announced by CMB in the accounting records and the preparation of the financial statements.

In order to determine the financial status and performance trends, the financial statements of the Company have been prepared in comparison with the financial statements of previous periods. The Company prepared its balance sheet as of 31 March 2012 in comparison with the balance sheet prepared as of 31 December 2011; prepared the statement of income, statement of changes in shareholders’ equity and cash flow statement between 1 January - 31 March 2012 in comparison with 1 January - 31 March 2011. Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current period.

2.2.2 Changes in standards and interpretations

The standards listed below and the changes and comments introduced to the prior standards have been enforced as of 1 January 2012:

- IFRS 7 (amendment), “Financial instruments: Disclosures”, is effective for annual periods beginning on or after 1 July 2011. This amendment will promote transparency in the reporting of transfer transactions and improve users’ understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity’s financial position, particularly those involving securitisation of financial assets. Comparative information is not needed in the first year of adoption. Earlier adoption is permitted.
- IFRS 1 (amendment), “First-time adoption of IFRS”, is effective for annual periods beginning on or after 1 July 2011.
- IAS 12 (amendment), “Income taxes”, is effective for annual periods beginning on or after 1 January 2012.

Standards, amendments and interpretations not yet effective as of 31 March 2012 and not early adopted by the Company:

- IAS 1 (amendment), “Presentation of financial statements”, is effective for annual periods beginning on or after 1 July 2012.
- IAS 19 (amendment), “Employee benefits”, is effective for annual periods beginning on or after 1 July 2012.
- IFRS 9, “Financial instruments”, is effective for annual periods beginning on/after 1 January 2015.
- IFRS 10, “Consolidated financial statements”, is effective for annual periods beginning on or after 1 January 2013.

**CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED
FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD
ENDED 31 MARCH 2012**

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

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

- IFRS 11, "Joint arrangements", is effective for annual periods beginning on/after 1 January 2013.
- IFRS 12, "Disclosures of interests in other entities", is effective for annual periods beginning on or after 1 January 2013.
- IFRS 13, "Fair value measurement", is effective for annual periods beginning on or after 1 January 2013.
- IAS 27 (revised), "Separate financial statements", is effective for annual periods beginning on or after 1 January 2013.
- IAS 28 (revised), "Associates and joint ventures", is effective for annual periods beginning on or after 1 January 2013.
- IAS 32 (amendment), "Financial instruments: Presentation" and IFRS 7 (amendment), "Financial instruments: Disclosures", is related to offsetting financial assets and financial liabilities and respectively effective for annual periods after 1 January 2013 and 1 January 2014.
- IFRS 1 (amendment), "First-time adoption of IFRS", is related to accounting of government loans and effective for annual periods beginning on or after 1 January 2014.
- IFRIC 20, Stripping costs in the production phase of a surface mine, is effective for annual periods after 1 January 2013.

Abovementioned amendments to the standards have no material effect on the financial statements of the Company.

2.3 Restatement and the errors in the Accounting estimates

Material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period financial statements. The effect of changes in accounting estimates affecting the current period is recognized in the current period; the effect of changes in accounting estimates affecting current and future periods is recognized in the current and future periods. For the period 1 January - 31 March 2012 there is no change in accounting estimates.

2.4 Summary of Significant Accounting Policies

The condensed interim financial statements of the Company have been prepared in accordance with IAS 34 "Interim Financial Reporting". The accounting policies used in the preparation of these condensed interim financial statements are consistent with those used in the preparation of annual financial statements for the year ended 31 December 2011. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2011.

2.5 Significant Accounting Estimates and Assumptions

Preparation of financial statements require the usage of estimations and assumptions which may affect the reported amounts of assets and liabilities as of the balance sheet date, disclosure of contingent assets and liabilities and reported amounts of income and expenses during financial period. The accounting assessments, forecasts and assumptions are reviewed continuously considering the past experiences, other factors and the reasonable expectations about the future events under current conditions. Although the estimations and assumptions are based on the best estimates of the management's existing incidents and operations, they may differ from the actual results.

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2012

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

NOTE 3 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents as of 31 March 2012 and 31 December 2011 are as follows:

	31 March 2012	31 December 2011
Cash	2,787	4,219
Banks		
- TL time deposit	40,111,917	25,075,514
- Foreign currency denominated demand deposit	142,032	85,704
- TL demand deposit	14,413	523,577
Total	40,271,149	25,689,014

As of 31 March 2012, the interest rate on TL deposit accounts at banks 11 % and the accrued interest is TL48,393 (31 December 2011: the interest rate on TL deposit accounts at banks is 12.25 % and the accrued interest is TL75,514). The maturity of time deposits is one month (31 December 2011: less than one month).

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

	31 March 2012	31 March 2011
Cash and cash equivalents	40,271,149	16,546,492
Less: accrued interest	(48,393)	(9,360)
	40,222,756	16,537,132

NOTE 4 - TRADE AND OTHER RECEIVABLES AND PAYABLES

Short-term trade receivables	31 March 2012	31 December 2011
Trade receivables	3,946,809	3,983,985
Notes and post-dated cheques receivable	898,207	-
	4,845,016	3,983,985
Less: Provision for doubtful receivables	(3,170,342)	(3,170,342)
	1,674,674	813,643
Short-term trade payables	31 March 2012	31 December 2011
Trade payables	192,698	144,400
Due to related parties (Note 16)	6,248	2,108
	198,946	146,508

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2012

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

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

As of 31 March 2012 and 31 December 2011, there are no other receivables.

Short-term other payables	31 March 2012	31 December 2011
Taxes payables	839,121	755,176
Social security premiums payable	5,840	4,784
	844,961	759,960

NOTE 5 - INVESTMENT PROPERTY

The movements of the investment property for the three-month interim periods ended 31 March 2012 and 2011 are as follows:

	1 January 2012	Additions	Transfers	31 March 2012
Cost				
Buildings	174,404,180	-	-	174,404,180
Construction in progress	9,458,757	-	-	9,458,757
	183,862,937			183,862,937
Accumulated Amortization				
Buildings	44,591,708	969,960	-	45,561,668
	44,591,708	969,960	-	45,561,668
Net Book Value	139,271,229			138,301,269
	1 January 2011	Additions	Transfers	31 March 2011
Cost				
Buildings	172,387,423	-	2,016,758	174,404,181
Construction in progress	422,398	1,594,360	(2,016,758)	-
	172,809,821	1,594,360	-	174,404,181
Accumulated Amortization				
Buildings	40,843,834	954,204	-	41,798,038
	40,843,834	954,204	-	41,798,038
Net Book Value	131,965,987			132,606,143

The fair value of the Company's investment property based on the valuation report of EVA Gayrimenkul Değerleme Danışmanlık A.Ş. dated 31 December 2011 amount to TL1,002,060,000 (As of 31 December 2010, the fair value of the Company's investment property based on the valuation report of EVA Gayrimenkul Değerleme Danışmanlık A.Ş. amount to TL809,457,000).

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2012

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

NOTE 6 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provision, contingent assets and liabilities consist of the following:

Real rights on immovables are as follows:

- There is a rental restriction in favour of TEK (Turkish Electricity Institution) with registry dated 31 December 1992 No: 5538.
- There is a 5 year rental restriction in favour of Yapı Kredi A.Ş. on Çarşı Block 1 basement coded (4,60) at a land share of 76800/25600000 (independent component, no 89) registered on 17 April 1995, No: 1315.

Guarantee notes and letters	Currency of denomination	Amount	31 March 2012
Guarantee notes received	USD	2,625,631	4,654,981
Letters of guarantees received	USD	2,009,188	3,562,090
Guarantee cheques received	TL	581,000	581,000
			8,798,071

Guarantee notes and letters	Currency of denomination	Amount	31 December 2011
Guarantee notes received	USD	2,541,003	4,799,700
Letters of guarantees received	USD	1,993,045	3,764,663
Guarantee cheques received	TL	510,000	510,000
			9,074,363

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

As of 31 Mart 2012, the guarantees given by the Company relate to the ongoing legal claims amounting to TL2,134,229 (31 December 2011: TL2,209,229).

Provision for lawsuits

The provision for the lawsuits against the company as of 31 March 2012 is TL2,704,428 (31 March 2011: TL2,904,432). The movements of provision for lawsuits are as follows:

	2012	2011
1 January	3,012,160	2,802,063
Increase during the year	-	102,369
Foreign exchange differences and interests	1,695	-
Paid charges	(78,108)	-
Reversals	(231,319)	-
31 March	2,704,428	2,904,432

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2012

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

NOTE 7 - OTHER ASSETS AND LIABILITIES

The details of other assets and other liabilities as of 31 March 2012 and 31 December 2011 are as follows:

	31 March 2012	31 December 2011
Other current assets:		
Advance given (*)	739,576	-
Prepaid expenses	49,120	6,636
Total	788,696	6,636

(*) Consists of advance given for the management expenses to Üçgen Bakım A.Ş.

Other non-current assets

Advances given (*)	720,975	720,975
Other	202	202
Total	721,177	721,177

(*) Consists of advances given for the renovation work on exterior side of the shopping mall.

Other current liabilities

	31 March 2012	31 December 2011
Deferred income	1,153,180	1,052,465
Advances received (*)	703,277	93,148
Expense accruals	200,516	35,645
Total	2,056,973	1,181,258

(*) As of 31 March 2012, amount TL431,739 of advances received is related to rent advances.

Other non-current liabilities

	31 March 2012	31 December 2011
Deposits and guarantees received	154,764	164,890
Total	154,764	164,890

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

NOTE 8 - EQUITY

At 31 March 2012 and 31 December 2011 the issued and fully paid-in share capital held is as follows:

Shareholders	31 March 2012		31 December 2011	
	Pay (%)	Amount	Pay (%)	Amount
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	13.12	4,890,900	13.12	4,890,900
Tekfen Holding A.Ş.	10.79	4,019,839	10.79	4,019,839
Quoted to İstanbul Stock Exchange	50.04	18,646,906	50.04	18,646,906
Other (*)	26.05	9,706,355	26.05	9,706,355
Total paid-in capital	100	37,264,000	100	37,264,000

(*) Represents shareholding of less than 10%.

As of 31 March 2012 and 31 December 2011, the Company's issued and fully paid share capital amounting to TL37,264,000 is represented by 3,726,400,000 shares of Krş1 nominal value of which 407,575,000 are Class A shares, 284,138,000 are Class B shares, 239,887,000 are Class C shares and 2,794,800,000 are Class D shares. Number of 1,864,690,600 Class D shares each of Krş1 amounting to TL18,646,906 which stands for 50.04% of its issued capital are offered to the public.

There are 10 members of the Board of Directors who are assigned by the General Assembly as follows; four members elected with the majority votes of Class A shares; three members elected with the majority votes of Class B shares; two members elected with the majority votes of Class C shares and one member elected with the majority votes of Class D shares which represent the publicly offered shares and subject to participation to the General Assembly.

According to the articles of incorporation of the Company, after deducting the mandatory reserves in accordance with the TCC and CMB requirements and those distributable to the Board of Directors and certain foundations, the Company would distribute at least 80% of its profits as dividends to its shareholders. Distributable profit for 2011 amounts to TL39,901,903.

Equity statement in accordance with the Communiqué Serial: XI, No: 29 is as follows:

	31 March 2012	31 December 2011
Share capital	37,264,000	37,264,000
Adjustment to share capital	27,745,263	27,745,263
Restricted reserves		
- Legal reserves	35,622,015	35,622,015
Retained earnings	60,537,093	18,523,535
Net income for the period	14,560,123	42,013,558
Total	175,728,494	161,168,371

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NOTE 8 - EQUITY (Continued)

Retained earnings consist of the following:

	31 March 2012	31 December 2011
Retained earnings	39,804,252	1,174,882
Extraordinary reserves	16,749,625	13,365,437
Inflation difference in extraordinary reserves	521,985	521,985
Inflation difference in legal reserves	3,461,231	3,461,231
	60,537,093	18,523,535

NOTE 9 - OPERATING INCOME

	1 January - 31 March 2012	1 January - 31 March 2011
Sales		
Shops and warehouse rent income	17,694,511	13,611,574
Apart hotel rent income	628,810	490,169
Total rent income	18,323,321	14,101,743
Cost of sales		
Cost of services	(4,498,677)	(4,296,127)
Depreciation expense	(969,960)	(954,204)
	(5,468,637)	(5,250,331)
Gross Profit	12,854,684	8,851,412

NOTE 10 - EXPENSES BY NATURE

	1 January - 31 March 2012	1 January - 31 March 2011
Cost of service	4,498,677	4,296,127
Depreciation and amortization expenses	971,878	976,833
Personnel expenses	270,594	274,059
Insurance, duties, taxes and levies expenses	147,219	148,920
Legal expenses	101,254	183,108
Consultancy expenses	45,452	32,823
Provision for doubtful receivables	-	138,728
Provision for lawsuits	-	102,369
Other	61,405	62,110
Total	6,096,479	6,215,077
Depreciation and amortization expenses		
Cost of sales	969,960	954,204
General administrative expenses	1,918	22,629
Total	971,878	976,833

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NOTE 11 - OTHER INCOME/EXPENSES

	1 January - 31 March 2012	1 January - 31 March 2011
Other operating income		
Rent income of the common areas	1,108,662	1,094,889
Income from reversal provisions	231,319	-
Infrastructure service income	-	186,431
Other	26,975	48,521
	1,366,956	1,329,841
Other operating expense		
Compensation expense (*)	-	(569,841)
Other operating income/(expense) - net	1,366,956	760,000

(*) Compensation paid to tenants who were discharged prior to their contract expiration date.

NOTE 12 - FINANCIAL INCOME

	1 January - 31 March 2012	1 January - 31 March 2011
Financial income		
Interest income	971,293	276,671
Foreign exchange income	49,851	738,515
Rediscount interest income	-	2,393
Total	1,021,144	1,017,579

NOTE 13 - FINANCIAL EXPENSES

	1 January - 31 March 2012	1 January - 31 March 2011
Financial expenses		
Interest expense	32,993	208,951
Foreign exchange expense	21,826	781,837
Rediscount interest expenses	-	70
Total	54,819	990,858

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NOTE 14 - TAX ASSETS AND LIABILITIES

The Company is exempt from corporate income tax in accordance with paragraph d-4 of Article 5 of the Corporate Income Tax Law and in accordance with paragraph 6-a of Article 94 of the Income Tax Law, the earnings of the real estate investment trusts are subject to withholding taxes. According to the Council of Ministers decision, No: 93/5148, the withholding tax rate is determined as "0". Therefore, the Company has no corporate tax obligation.

NOTE 15 - EARNINGS PER SHARE

The earnings per share stated in income statement is calculated by dividing net income for the period by the weighted average number of Company's shares for the period.

The companies in Turkey are allowed to increase their paid-in capital by issuing "free shares" which represent the increases from retained earnings and revaluation funds. The issue of such shares is treated as the issuance of ordinary shares in the calculation of earnings per share. The weighted average number of shares includes such shares and their retrospective effects. The share capital amounting to TL13,700,000 within the registered capital limit of TL27,400,000 has been increased to TL37,264,000 from the dividend to be distributed to the shareholders over the profit of 2010 amounting to TL23,564,000. Based on the resolution issued by CMB Decision No. 20/626, dated 30 June 2011, the new issued shares have been registered. Accordingly, at 8 July 2011, the increased capital has been registered to İstanbul Commercial Office and after registration, the Company's share capital consists of 25,060,055 shares in average, of TL1 nominal value each.

The earnings per share amount is calculated by dividing net income for the period by the weighted average number of Company's shares for the period.

	1 January - 31 March 2012	1 January - 31 March 2011
Weighted average number of shares as of the reporting date (per share of TL1 nominal value)	37,264,000	37,264,000
Net profit for the period	14,560,123	8,673,387
Earnings per share	0.39	0.23

NOTE 16 - RELATED PARTY DISCLOSURES

Related party disclosures

	31 March 2012	31 December 2011
Advances given to related parties	1,460,551	720,975
Due to related parties	6,248	2,108
	1 January - 31 March 2012	1 January - 31 March 2011
Purchases from related party	4,532,035	5,924,925
Sales to related parties	346,021	292,874

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NOT 16 - RELATED PARTY DISCLOSURES (Continued)

Purchases and sales consist of rent income, purchase and sales of services, and similar items. The Company provides services like security, maintenance, repair, cleaning, and management from the related party Üçgen Bakım ve Yönetim Hizmetleri A.Ş. to whom the Company charged TL2,448,372 regarding the revenue collected on behalf of the Company for the first three months of 2012 (1 January - 31 March 2011: TL2,054,561). As of 31 March 2012 and 31 December 2011 the advances given balance consist of advance given to related party Üçgen Bakım ve Yönetim Hizmetleri A.Ş. for the renovation work on exterior side of the building.

As of 1 January - 31 March 2012, remuneration provided to top executives management such as the CEO and Board of Directors members is TL209,172 (1 January - 31 March 2011: TL204,388).

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

Foreign Currency Risk

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

	31 March 2012	31 December 2011
Assets	177,490	180,150
Liabilities	(411,214)	(438,119)
Net position	(233,724)	(257,969)

As of 31 March 2012, fluctuation of USD and Euro had been 10% higher/lower ceteris paribus, net income for the period would have been TL 23,372 (31 March 2011: TL2,682,069) lower/higher.

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED
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**NOTE 17 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL
INSTRUMENTS (Continued)**

As of 31 March 2012 the assets and liabilities denominated in foreign currencies which do not bear guaranteed rates of exchange, and foreign currency amounts stated in the assets are as follows:

	EURO	USD	TL equivalent
Current assets			
Trade receivables	-	20,000	35,458
Monetary financial assets	-	80,113	142,032
Total assets	-	100,113	177,490
Current liabilities			
Other Monetary Liabilities	-	(144,650)	(256,450)
Non-current Liabilities			
Other non- monetary financial liabilities	-	(87,294)	(154,764)
Total liabilities	-	(231,944)	(411,214)
Net Foreign Currency Asset / (Liability) Position	-	(131,831)	(233,724)
Monetary Items Net Foreign Currency Asset / (Liability) Position	-	(44,537)	(78,960)

As of 31 December 2011 the assets and liabilities denominated in foreign currencies which do not bear guaranteed rates of exchange, and foreign currency amounts stated in the assets are as follows:

	Euro	USD	TL Equivalent
Current Assets			
Trade receivables	-	50,000	94,445
Monetary financial assets	-	45,373	85,705
Total assets	-	95,373	180,150
Current Liabilities			
Other monetary financial liabilities	-	(144,650)	(273,229)
Non-current Liabilities			
Other non- monetary financial liabilities	-	(87,294)	(164,890)
Total liabilities	-	(231,944)	(438,119)
Net Foreign Currency Asset / (Liability) Position	-	(136,571)	(257,969)
Monetary Items Net Foreign Currency Asset / (Liability) Position	-	(49,277)	(93,079)

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CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2012

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NOTE 18 - OTHER ISSUES MATERIALLY AFFECTING THE FINANCIAL STATEMENTS AND REQUIRING DISCLOSURE FOR UNDERSTANDING OF THE FINANCIAL STATEMENTS

a) Insurance totals of assets with respect to the periods are as follows;

31 March 2012 :	140,100,000	USD
31 December 2011 :	127,166,000	USD

b) As per the Board resolutions taken in the years of 2011 and 2012, decisions were taken with respect to evaluation of the effects on the real estate market of the unfavourable developments encountered in the financial markets, to make a 35% and 25% discount over the USD-denominated rental fees of the tenants of Akmerkez Ticaret Merkezi. This resolution comprises the period March 2009 - April 2011 and April - December 2011 only for the tenants selected by the Company among those who have been paying their rental fees in accordance with the conditions suggested in their rental contracts on regular basis and provided that USD1 is not below TL1.1 for March 2009 to April 2011, USD1 is not below TL1.2 for May to September 2011 and USD1 is not below TL1.35 for October to December 2011 that the USD exchange rate defined is not to be regarded as a reduction in rental fees and/or amendment of the rental contract. In that context, for the period between January to May 2012, it was decided to make a 20% discount over the USD denominated rental fees of the tenants provided that USD1 is not below TL1.35.

NOTE 19 - SUBSEQUENT EVENTS

The ceiling for the employment termination benefit which amounted to TL2,731.85 as of 31 December 2011 has been increased to TL2,805.04 with effect from 1 January 2012.

NOTE 20 - SUPPLEMENTARY NOTE: CONTROL OF COMPLIANCE WITH PORTFOLIO RESTRICTIONS

Explanations made in the framework of the Communiqué with Serial No: VI, No: 29 amending the Communiqué for Principles on Real Estate Investment Trusts”:

Consequent to the publication of the CMB’s Communiqué with Serial No: VI, No: 29 amending the Communiqué for Principles on Real Estate Investment Trusts” in the Official Gazette on 28 July 2011, CMB’s “Communiqué for Principles on Real Estate Investment Trusts” with Serial No, VI, No, 11 was subjected to modification, and in this framework real estate investment trusts have to comply with the provisions of CMB’s Communiqué with Serial No: VI, No: 29 for Principles on Real Estate Investment Trusts at the time of financial statement preparation and their disclosure to public, in addition to including in the financial statements the information relating to control of portfolio restrictions specified in CMB’s Communiqué with Serial No: VI, No: 29 amending the Communiqué for Principles on Real Estate Investment Trusts in the manner set out by the CMB by means of using non-consolidated financial statement account items.

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

In this scope, total assets, total portfolio and information relating to portfolio restrictions are as follows as of 31 March 2012 and 31 December 2011:

Non-consolidated (stand-alone)			
financial statement accounts items		31 March 2012	31 December 2011
A	Cash and capital market instruments	40,271,149	25,689,014
B	Real estate, real estate-based project, Real estate-based rights	138,301,269	139,271,229
C	Affiliates	-	-
	Due from related parties (non-trade)	-	-
	Other Assets	3,192,680	1,547,528
D	Total Assets	181,765,098	166,507,771
E	Borrowings	-	-
F	Other financial liabilities	-	-
G	Leasing obligation	-	-
H	Due to related parties (non-trade)	614	616
I	Equity	175,728,494	161,168,371
	Other Liabilities	6,035,990	5,338,784
D	Total Liabilities	181,765,098	166,507,771

Other non-consolidated (stand-alone)			
financial information		31 March 2012	31 December 2011
A1	Portion of cash and capital market instruments reserved for three-year real estate payments	-	-
A2	TL/foreign currency denominated time/demand deposits	40,268,362	25,684,795
A3	Foreign capital market instruments	-	-
B1	Foreign real estates, real estate-based projects, real estate-based rights	-	-
B2	Lands on which no projects developed	-	-
C1	Foreign affiliates	-	-
C2	Participation in administrator companies	-	-
J	Non-cash loans	2,134,229	2,209,229
K	Encumbrance amounts of encumbered lands which do not belong to the Group and on which a project will be developed	-	-

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

Portfolio Restriction	31 March 2012	31 December 2011	Minimum / Maximum Rate
1 Encumbrance amounts of encumbered lands which do not belong to the Group and on which a project will be developed (K/D)	-	-	<10%
2 Real estate, real estate-based project, Real estate-based rights (B+A1)/D)	76%	84%	>50%
3 Cash and capital market instruments and Affiliates (A+C-A1)/D)	22%	15%	<50%
4 Foreign real estates, real estate-based projects, real estate-based rights, Affiliates, capital market instruments (A3+B1+C1/D)	-	-	<49%
5 Lands on which no projects developed (B2/D)	-	-	<20%
6 Participation in administrator companies (C2/D)	-	-	<10%
7 Borrowing ceiling (E+F+G+H+J)/İ	1%	1%	<500%
8 TL/foreign currency denominated time/demand deposits (A2-A1)/D	22%	15%	<10%

(*) At 31 March 2012, the fair value of the investment property is TL1,002,060,000. In the table above, the investment property amounting to TL138,301,269 represents the net book value which is cost less depreciation. When the fair value of the investment property is considered in the above table, the ratio of the TL/foreign currency denominated time/demand deposit to total assets as at 31 March 2012 is 3.9% (31 December 2011: 2.6%).

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