

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONVENIENCE TRANSLATION OF
THE CONDENSED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2011
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 30 September 2011 and the related condensed statements of comprehensive income, changes in equity and cash flows for the nine-month period then ended. Management is responsible for the preparation and fair presentation of these condensed interim financial statements 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 statements 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 statements 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 statements are not prepared in accordance with financial reporting standards endorsed the by the Capital Markets Board of Turkey (Note 2).

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

Cansen Başaran Symes, SMMM
Partner

Istanbul, 27 October 2011

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

INTERIM FINANCIAL STATEMENTS AT 30 SEPTEMBER 2011

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AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**CONVENIENCE TRANSLATION OF THE CONDENSED BALANCE SHEETS
AT 30 SEPTEMBER 2011 AND 31 DECEMBER 2010**

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

	Notes	30 September 2011	31 December 2010
ASSETS			
Current assets		13,046,933	11,658,720
Cash and cash equivalents	3	11,586,567	8,905,678
Trade receivables		541,431	1,230,945
Other current assets	8	918,935	1,522,097
-Advances given to related parties	8	739,388	-
-Other current assets	8	179,547	1,522,097
Non-current assets		140,671,766	137,966,308
Investment property	5	140,119,726	131,965,987
Property and equipment	6	10,433	80,822
Intangible assets		5,019	8,514
Other non-current assets	8	536,588	5,910,985
-Advances given to related parties	8	536,385	5,910,054
-Other non-current assets	8	203	931
Total assets		153,718,699	149,625,028
LIABILITIES			
Current liabilities		5,194,709	30,289,069
Borrowings	4	-	26,550,604
Due to related parties	17	1,243	58,931
Other trade payables		364,741	109,714
Other payables		778,911	44,641
Debt provision	7	2,977,652	2,802,063
Other current liabilities	8	1,072,162	723,116
Non-current liabilities		238,241	181,146
Provision for employment termination benefits		77,157	46,189
Other liabilities	8	161,084	134,957
Equity		148,285,749	119,154,813
Share capital	9	37,264,000	13,700,000
Adjustment to share capital	9	27,745,263	27,745,263
Restricted reserves	9	35,622,015	33,334,115
Retained earnings	9	18,523,535	15,139,347
Net income for the period	9	29,130,936	29,236,088
Total liabilities and equity		153,718,699	149,625,028

These interim financial statements for the period ended 30 September 2011 have been approved by the Board of Directors meeting held on 27 October 2011.

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR THE INTERIM PERIODS ENDED 30 SEPTEMBER 2011 AND 2010

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

		<i>Reviewed</i> 1 January - 30 September 2011	<i>Not Reviewed</i> 1 April - 30 September 2011	<i>Reviewed</i> 1 January - 30 September 2010	<i>Not Reviewed</i> 1 April - 30 September 2010
	Notes				
CONTINUING OPERATIONS:					
OPERATING INCOME					
Sales - net	10	45,086,625	16,191,201	38,952,350	12,936,849
Cost of sales (-)	10	(16,173,373)	(5,482,037)	(15,865,248)	(5,693,529)
Gross profit		28,913,252	10,709,164	23,087,102	7,243,320
General administrative expenses (-)		(2,964,768)	(982,461)	(3,008,199)	(817,011)
Other operating income	12	3,743,763	1,002,139	2,942,182	908,149
Other operating expense (-)	12	(570,833)	(992)	(1,148,793)	(340,673)
Operating profit		29,121,414	10,727,850	21,872,292	6,993,785
Financial income	13	2,892,676	221,055	4,290,414	2,442,125
Financial expenses (-)	14	(2,883,154)	(50,806)	(3,312,179)	(623,281)
Continuing operations profit before tax	16	29,130,936	10,898,099	22,850,527	8,812,629
Tax income/expenses from continuing operations		-	-	-	-
Continuing operations net profit for the period	16	29,130,936	10,898,099	22,850,527	8,812,629
Other comprehensive income		-	-	-	-
Total comprehensive income	16	29,130,936	10,898,099	22,850,527	8,812,629
Earnings per share	16	1,39	0,52	1,09	0,42

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONVENIENCE TRANSLATION OF THE CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTH INTERIM PERIODS ENDED 30 SEPTEMBER 2011 AND 2010**

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

	Notes	Share capital	Adjustment to share capital	Restricted reserves	Retained earnings	Net profit for the period	Total equity
1 January 2010		13,700,000	27,745,263	30,361,215	10,533,419	37,992,828	120,332,725
Transfers		-	-	2,972,900	35,019,928	(37,992,828)	-
Dividends paid		-	-	-	(30,414,000)	-	(30,414,000)
Net profit for the period		-	-	-	-	22,850,527	22,850,527
30 September 2010		13,700,000	27,745,263	33,334,115	15,139,347	22,850,527	112,769,252
1 January 2011		13,700,000	27,745,263	33,334,115	15,139,347	29,236,088	119,154,813
Capital increase	9	23,564,000	-	2,287,900	3,384,188	(29,236,088)	-
Net profit for the period	9	-	-	-	-	29,130,936	29,130,936
30 September 2011		37,264,000	27,745,263	35,622,015	18,523,535	29,130,936	148,285,749

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONVENIENCE TRANSLATION OF THE CONDENSED
STATEMENTS OF CASH FLOWS FOR THE NINE MONTH INTERIM
PERIODS ENDED 30 SEPTEMBER 2011 AND 2010**

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

	Notes	1 January - 30 September 2011	1 January - 30 September 2010
Cash flows from operating activities			
Profit before tax		29,130,936	22,850,527
Adjustments to reconcile net cash generated from operating activities to income before tax			
Depreciation	11	2,973,260	2,505,781
Provision for employment termination benefits		30,968	7,524
Debt provisions	7	175,589	187,295
Provision for doubtful receivables	11	138,728	93,973
Rediscount on notes receivable and cheques	13,14	(2,390)	283
Interest income	13	(665,882)	(657,169)
Accrued expenses		48,138	1,335
Interest expense	14	479,214	1,267,501
Operating profit before changes in net working capital		32,308,561	26,257,050
Decrease in accounts receivable		553,176	11,858
Decrease in other assets		603,162	347,505
Increase in accounts payable		197,339	949,365
Increase in other payables		712,259	277,819
Increase in other liabilities		349,046	(4,757)
Net cash generated from operating activities		34,723,543	27,838,840
Interest received		625,894	685,019
Decrease in advances given for non-current assets		5,374,397	(2,790,728)
Additions to investment property	5	(11,053,115)	(7,058,890)
Net cash used in investing activities		(5,052,824)	(9,164,599)
Proceeds from borrowings		-	6,907,120
Repayments of borrowings		(26,103,692)	-
Dividends paid		-	(30,414,000)
Interest paid		(926,126)	(2,204,431)
Net cash used in financing activities		(27,029,818)	(25,711,311)
Net decrease in cash and cash equivalents		2,640,901	(7,037,070)
Cash and cash equivalents at the beginning of the period		8,895,501	16,868,183
Cash and cash equivalents at the end of the period	3	11,536,402	9,831,113

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2011

(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 investment properties. The address of the Company is as follows:

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

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 as of 30 September 2011, 50.04% of these shares are publicly quoted shares.

The shareholding structure as of 30 September 2011 and 31 December 2010 is as follows:

	30 September 2011	31 December 2010
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%	49.00%
Other *	26.05%	27.09%
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:

	30 September 2011	31 December 2010
Administrative	4	4

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2011

(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 TL 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.

2.1.2 Going Concern

The Company has prepared the condensed financial statements for the period 1 January - 30 September 2011 in accordance with the going concern principle. As of 31 December 2010 the Company's current liabilities exceeded the current assets by TL18,630,349. Due to the cash that was generated from its continuing operations, the current assets exceeded the current liabilities as of 30 September 2011. An increase in capital via transferring profit of 2010 amounting TL23,564,000 and the payment of operational loan amounting TL26,103,692 have been realized in 2011. The management does not anticipate any difficulty on the repayment of the short-term liabilities and continuity of the Company.

**CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED
FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED
30 SEPTEMBER 2011**

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

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

2.1.3 Compliance with portfolio restrictions

Information disclosed within Note 21: "Supplementary Note: Control of Compliance with Portfolio Restrictions" to the financial statement qualifies as summarised information compiled from financial statements in accordance with Article 17 of the CMB's "Communiqué Serial No: XI, No: 29 on Principles for Financial Reporting in Capital Markets". This information is prepared within the scope of provisions relating to control of compliance with portfolio restrictions of the CMB's "Communiqué for Principles on Real Estate Investment Trusts" with Serial No: VI, No: 11.

2.2. Summary of Significant Accounting Policies

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

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

In order to determine the financial status and performance trends, the financial statements of the Company have been prepared in comparison with the financial statements of previous periods. The Company prepared its balance sheet as of 30 September 2011 in comparison with the balance sheet prepared as of 31 December 2010; prepared the statement of income, statement of changes in shareholders' equity and cash flow statement between 1 January - 30 September 2011 in comparison with 1 January - 30 September 2010.

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 at 1 January 2011 and in periods subsequent to 1 January 2010, such standards, changes and comments had no affect on the financial statements of the Company.

- IAS 24 (amendment) 'Related party disclosures' (effective from 1 July 2011 or annual periods beginning after 1 January 2013).
- IFRS 1 (Amendment), "First-time adoption" are effective for annual periods beginning 1 July 2010.
- IFRIC 14, "Prepayments of a minimum funding requirement" are effective for annual periods beginning 1 January 2011. Earlier application is permitted
- Annual improvements 2010 are effective for annual periods beginning 1 January 2011. This set of amendments includes changes to six standards and one IFRIC, namely:
 - IFRS 1 "First-time adoption"
 - IFRS 3 "Business combinations"
 - IFRS 7 "Financial Instruments: Disclosures"
 - IAS 1 "Financial statements presentation"
 - IAS 27 "Consolidated and separate financial statements"
 - IAS 34 "Interim financial reporting"
 - IFRIC 13 "Customer loyalty programmes"

**CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED
FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED
30 SEPTEMBER 2011**

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

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

- IFRIC 19, "Extinguishing financial liabilities with equity instruments" is effective from 1 July 2010.
- IAS 32 (amendment), "Classification of rights issues" (effective on 1 February 2010 or for annual periods beginning after 1 February 2010)
- IFRS 7 (Amendment), "Financial instruments: Disclosures" is effective for annual periods beginning on or after 1 July 2011.
- IFRS 1 (Amendment), "First time adoption" is effective for annual periods beginning on or after 1 July 2011.
- IFRS 2 (amendment), 'Share-based payment' deals with vesting conditions and cancellations.(effective on 1 January 2010 or for annual periods beginning after 1 January 2010)
- IFRS 5 (amendment), 'Measurement of non-current assets (or disposal groups) classified as held-for-sale'. (effective on 1 January 2010 or for annual periods beginning after 1 January 2010).
- IFRIC 18, "Transfer of assets from customers" (effective on 1 July 2009 or for annual periods beginning after 1 July 2009).
- IAS 38 (amendment), "Intangible assets" (effective on 1 January 2010).
- IAS 36 (amendment), "Impairment of assets" (effective on 1 January 2010).
- IFRIC 16, "Hedges of a net investment in a foreign operation" (effective on 1 July 2009 or for annual periods beginning after 1 July 2009).
- IFRIC 17, "Distribution of non-cash assets to owners" (effective on 1 July 2009 or for annual periods beginning after 1 July 2009).
- IFRS 5 (amendment), 'Measurement of non-current assets (or disposal groups) classified as held-for-sale'(effective on 1 January 2010 or for annual periods beginning after 1 January 2010).

Standards, amendments and interpretations not yet effective as of 30 September 2011 and not early adopted by the Company:

- IAS 12 (Amendment), "Income taxes" is effective for annual periods beginning on or after 1 January 2012.
- IAS 19 (Amendment), "Employee benefits" is effective for annual periods beginning on or after 1 January 2013.
- IAS 1 (Amendment), "Financial statement presentation" is effective for annual periods beginning on or after 1 July 2012.
- IFRS 9, "Financial Instruments" is not applicable until 1 January 2013 but is available for early adoption.
- IFRS 10, "Consolidated financial statements" is effective for annual periods beginning on or after 1 January 2013.
- IFRS 11, "Joint arrangements" is effective for annual periods beginning on or 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, "Separate financial statements" is effective for annual periods beginning on or after 1 January 2013.
- IAS 28, "Associates and joint ventures" is effective for annual periods beginning on or after 1 January 2013.

Aforementioned amendments to the financial statements have no material effect on financial statements.

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2011

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

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

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 recognised in the current period; the effect of changes in accounting estimates affecting current and future periods is recognised in the current and future periods. For the period 1 January - 30 September 2011 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 2010. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2010.

Financial liabilities and borrowing costs

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method in financial statements. Starting from 1 January 2009 "Borrowing Costs" IAS 23 (revised) requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset, removing the option of immediately expensing borrowing costs. For periods before 1 January 2009 in accordance with the previous IAS 23 "allowed alternative treatment" borrowing costs could be recognised as expense. The Company's financial obligations consist of operational bank borrowings and borrowing cost are recognised as expense.

Current and deferred income taxes

The Corporate Tax Law was amended as of 13 June 2006 with Law No. 5520. The majority of the clauses of Law No 5520 are effective as of 1 January 2006. The corporation tax rate of the fiscal year 2011 is 20% (2010: 20%). Corporation tax is payable at a rate of 20% on the total income of the Holding after adjusting for certain disallowable expenses, corporate income tax exemptions (participation exemption, and investment allowance, etc) and corporate income tax deductions (like research and development expenditures deduction). No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, except from these corporations' dividends subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

The Company is exempt from corporate income tax in accordance with paragraph 4-d of Article 8 of the Corporate Income Tax Law after the REIT conversion on 25 January 2008 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.

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2011

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

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

Deferred income taxes are provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Currently enacted tax rates are used to determine deferred income tax at the balance sheet date. As the Company is exempt from corporate income taxes based on the current tax legislation, no deferred income tax asset or liability has been calculated on temporary taxable and deductible differences in these financial statements.

Property, plant and equipment and related depreciation

Property and equipment are carried at cost less accumulated depreciation and provision for impairment, if any. Any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement.

Depreciation is calculated over of the cost of property and equipment using the straight-line method based on expected useful lives . The expected useful lives are stated below:

	Years
Machinery, plant and equipment	5 years
Furniture and fixtures	5 years

Subsequent costs incurred for tangible assets are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount and the provision for impairment is charged to income statement.

Gains and losses on the disposal of property and equipment are determined by deducting the net book value of the property and equipment from its sales and are included in the related income and expense accounts, as appropriate.

Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the Company, is classified as investment property.

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2011

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

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

Investment properties are stated at cost less their accumulated depreciation and impairment loss, if any. Investment properties are restated for the effects of inflation using the measuring unit current as at 31 December 2004. Additions made subsequent to 1 January 2005 are stated at their nominal values. The financial expenses related to the loans used for acquisition of investment properties and incurred during the progress of the said investment properties are restated and included in the cost. Investment properties are depreciated over their inflation-adjusted values and the nominal values of additions made subsequent to 1 January 2005. The useful life of investment properties is estimated to be 50 years.

Part of the Company's investment property is used for administrative purposes; however, as the ratio is considered immaterial (i.e., with a gross value less than 1% of total gross value), they are not classified separately, but rather stated within the investment properties.

2.5 Significant Accounting Estimates and Assumptions

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

NOTE 3 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents as of 30 September 2011 and 31 December 2010 are as follows:

	30 September 2011	31 December 2010
Cash	932	4,442
Banks		
- TL time deposit	11,288,166	8,776,177
- TL demand deposit	260,245	26,484
- Foreign currency denominated demand deposit	37,224	98,575
	11,586,567	8,905,678

As of 30 September 2011, the interest rate on TL deposit accounts at banks varies between 8.5 % and 9.50 % and the accrued interest is equal to TL50,165 (31 December 2010: the interest rate on TL deposit accounts at banks is between 8.7 % and 6.4% and the accrued interest is equal to TL10,177). The maturity date of TL bank deposit is less than one month (31 December 2010: less than one month).

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

	30 September 2011	31 December 2010	30 September 2010	31 December 2009
Cash and cash equivalents	11,586,567	8,905,678	9,832,865	16,897,785
Less: accrued interest	(50,165)	(10,177)	(1,752)	(29,602)
	11,536,402	8,895,501	9,831,113	16,868,183

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2011

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

NOTE 4 - FINANCIAL LIABILITIES

The details of the financial liabilities as of 30 September 2011 and 31 December 2010 are as follows:

	<u>Original Currency</u>		<u>Weighted average interest rate (%)</u>		<u>Domestic Currency</u>	
	<u>30 September 2011</u>	<u>31 December 2010</u>	<u>30 September 2011</u>	<u>31 December 2010</u>	<u>30 September 2011</u>	<u>31 December 2010</u>
USD	-	17,173,741	-	3.2%	-	26,550,604
	-	17,173,741	-		-	26,550,604

The operational loan provided by Yapı ve Kredi Bankası A.Ş. on 3 June 2010 amounting to USD8,500,000 has been fully paid on 10 June 2011 and the operational loan provided by İş Bankası A.Ş. on 24 May 2010 amounting to USD8,350,000 have been fully paid on 31 May 2011. As of 30 September 2011 there are no financial liabilities.

NOTE 5 - INVESTMENT PROPERTY

The movements of the investment property for the nine-month interim periods ended 30 September 2011 and 2010 are as follows:

	<u>1 January 2011</u>	<u>Additions</u>	<u>Transfers</u>	<u>30 September 2011</u>
Cost				
Buildings	172,387,423	-	2,016,757	174,404,180
Construction in progress	422,398	11,053,115	(2,016,757)	9,458,756
	172,809,821	11,053,115	-	183,862,936
Accumulated amortisation				
Buildings	(40,843,834)	(2,899,376)	-	(43,743,210)
	(40,843,834)	(2,899,376)	-	(43,743,210)
Net book value	131,965,987			140,119,726

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED
FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED
30 SEPTEMBER 2011**

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

NOTE 5 - INVESTMENT PROPERTY (Continued)

	1 January 2010	Additions	Transfers	30 September 2010
Cost				
Buildings	136,566,099	-	16,675,163	153,241,262
Construction in progress	11,650,163	7,058,890	(16,675,163)	2,033,890
	148,216,262	7,058,890	-	155,275,152
Accumulated amortisation				
Buildings	(37,246,546)	(2,416,326)	-	(39,662,872)
	(37,246,546)	(2,416,326)	-	(39,662,872)
Net book value	110,969,716			115,612,280

At 31 December 2010, the fair value of the Company's investment properties based on the valuation report of EVA Gayrimenkul Değerleme Danışmanlık A.Ş. dated 17 January 2011 is TL809,457,000.

NOTE 6 - PROPERTY AND EQUIPMENT

	1 January 2011	Additions	30 September 2011
Cost			
Furniture and fixtures	7,455,809	-	7,455,809
Machinery and equipment	99,702	-	99,702
	7,555,511	-	7,555,511
Accumulated depreciation			
Furniture and fixtures	(7,374,987)	(70,389)	(7,445,376)
Machinery and equipment	(99,702)	-	(99,702)
	(7,474,689)	(70,389)	(7,545,078)
Net book value	80,822		10,433

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED
FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED
30 SEPTEMBER 2011**

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

NOTE 6 - PROPERTY AND EQUIPMENT (Continued)

	1 January 2010	Additions	30 September 2010
Cost			
Furniture and fixtures	7,455,808	-	7,455,808
Machinery and equipment	99,702	-	99,702
	7,555,510	-	7,555,510
Accumulated depreciation			
Furniture and fixtures	(7,259,794)	(88,014)	(7,347,808)
Machinery and equipment	(99,702)	-	(99,702)
	(7,359,496)	(88,014)	(7,447,510)
Net book value	196,014		108,000

NOTE 7 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

	30 September 2011	31 December 2010
Commitments received		
Guarantee notes and cheques received	5,198,913	5,680,528
Letters of guarantees received	3,783,875	3,189,340
	8,982,788	8,869,868

The commitments received consist of letters of guarantee received from the tenants. As of 30 September 2011, the guarantees given by the Company relate to the ongoing legal claims amounting to TL2,176,729 (31 December 2010: TL61,729).

Provision for lawsuits

The provision for the lawsuits against the Company as of 30 September 2011 is TL2,977,652 (30 September 2010: TL3,589,457). The movement of provision for lawsuits is as follows:

	2011	2010
1 January	2,802,063	3,426,690
Increase during the period	175,589	187,295
Reversals during the period	-	(15,528)
30 September	2,977,652	3,598,457

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2011

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

NOTE 8 - OTHER ASSETS AND LIABILITIES

The details of other assets and other liabilities as of 30 September 2011 and 31 December 2010 are as follows:

	30 September 2011	31 December 2010
Other current assets:		
Advances given (*)	739,388	-
Prepaid expenses	179,547	5,051
Deferred VAT	-	1,517,046
	918,935	1,522,097

(*) Consists of short term advances given to Üçgen Bakım ve Yönetim Hizmetleri A.Ş., the related party for administrative expenses.

Other non-current assets

Advances given (*)	536,385	5,910,054
Other	203	931
	536,588	5,910,985

(*) Consists of advances given to Üçgen Bakım ve Yönetim Hizmetleri A.Ş., the related party for the renovation work on exterior side of the shopping mall.

Other current liabilities

	30 September 2011	31 December 2010
Deferred income	999,653	688,570
Expense accruals	48,138	15,581
Advances received	24,371	18,965
	1,072,162	723,116

Other non-current liabilities

	30 September 2011	31 December 2010
Deposits and guarantees received	161,084	134,957
	161,084	134,957

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2011

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

NOTE 9 - EQUITY

At 30 September 2011 and 31 December 2010 the issued and fully paid-in share capital held is as follows:

Shareholders	30 September 2011		31 December 2010	
	Share (%)	Amount	Share (%)	Amount
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	13.12	4,890,900	13.12	1,798,125
Tekfen Holding A.Ş.	10.79	4,019,839	10.79	1,477,882
Quoted to İstanbul Stock Exchange	50.04	18,646,906	49.00	6,713,000
Other (*)	26.05	9,706,355	27.09	3,710,993
Total paid-in capital	100	37,264,000	100	13,700,000

(*) Represents individual shareholdings less than 10%.

At the Ordinary General Meeting of the Company dated 3 May 2011, it was decided to allocate bonus shares from the first and second dividend to be distributed to the shareholders from the profit of 2010 in line with the previous allocation of the issued shares and as per CMB Communiqué Serial I, No: 40 on Registration of Shares to Board Records and Disposal of Shares, to apply to the CMB in order to register the new issued bonus shares to the CMB Board records. After the increase in the issued shares, the capital will amount to TL37,264,000.

On 26 May 2011 the Company applied to CMB for registration and as per the resolution issued by CMB Decision No. 20/626, dated 30 September 2011, the new issued shares have been registered to board records. Accordingly, as of 8 July 2011 the increased capital has been registered with the İstanbul Trade Registry (Note 20).

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 257,731,250 are Class A shares, 179,675,500 are Class B shares, 151,693,250 are Class C shares and 1,767,300,000 are Class D shares.

Companies whose shares are quoted on the ISE are subject to profit distribution rules of CMB as follows:

In accordance with the decision of CMB on 28 January 2010, no obligation has been imposed for the minimum profit distribution of the incorporated companies whose shares are quoted in ISE, off the profits earned as a result of the operations in 2009. Additionally, pursuant to CMB Decision Serial IV No. 27, regarding profit distribution obligation, it has been made possible that shares, issued in cash or through the addition of dividend to the capital upon the decision of the Company's general assembly, can be distributed to the shareholders free of charge or that the distribution can be partly made in cash and partly through the free distribution of shares. It has been further made possible that initial dividend amount be left to the partnership without distribution, if such amount is lower than the 5% of the existing paid-up/issued capital amount.

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2011

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

NOTE 9 - EQUITY (Continued)

Moreover, in accordance with the CMB regulations, in the event that the entire profit distribution amount calculated pursuant the minimum profit distribution amount calculated over the net distributable profit found in accordance with CMB regulations can be covered by the distributable profit in the statutory records, it shall be distributed completely, and if the relevant amount cannot be covered by that amount, all of the net distributable profit in the statutory records shall be distributed. In the event that there is any period loss in financial statements prepared in accordance with the CMB regulations or statutory records, no profit shall be distributed.

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

	30 September 2011	31 December 2010
Share capital	37,264,000	13,700,000
Adjustment to share capital	27,745,263	27,745,263
Restricted reserves		
- Legal reserves	35,622,015	33,334,115
Retained earnings	18,523,535	15,139,347
Net income for the period	29,130,936	29,236,088
	148,285,749	119,154,813

Retained earnings consist of the following (TL) :

	30 September 2011	31 December 2010
Prior years' income	1,174,882	1,174,882
Extraordinary reserves	13,365,437	9,981,249
Inflation difference in extraordinary reserves	521,985	521,985
Inflation difference in legal reserves	3,461,231	3,461,231
	18,523,535	15,139,347

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2011

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

NOTE 10 - OPERATING INCOME

	1 January - 30 September 2011	1 July - 30 September 2011	1 January - 30 September 2010	1 July - 30 September 2010
Sales				
Shops and warehouse rent income	43,306,249	15,543,753	37,726,905	12,469,762
Apart hotel rent income	1,780,376	647,448	1,225,445	467,087
Total rent income	45,086,625	16,191,201	38,952,350	12,936,849
Cost of sales				
Cost of services	(13,273,997)	(4,493,847)	(13,448,922)	(4,888,087)
Depreciation expense	(2,899,376)	(988,190)	(2,416,326)	(805,442)
	(16,173,373)	(5,482,037)	(15,865,248)	(5,693,529)
Gross profit	28,913,252	10,709,164	23,087,102	7,243,320

NOTE 11 - EXPENSES BY NATURE

	1 January - 30 September 2011	1 July - 30 September 2011	1 January - 30 September 2010	1 July - 30 September 2010
Cost of services	13,273,997	4,493,847	13,448,922	4,888,087
Depreciation and amortisation expenses	2,973,260	1,014,140	2,505,781	829,891
Legal expenses	906,607	343,038	727,260	167,345
Personnel expenses	843,223	273,895	774,443	261,501
Insurance, duties, taxes and levies expenses	418,496	102,998	430,382	162,320
Administrative expenses	214,299	117,283	147,221	34,373
Provision for lawsuits	175,589	59,442	187,295	34,969
Provision for doubtful receivables	138,728	-	93,973	34,676
Consultancy expenses	125,025	40,401	152,066	39,239
Decoration expenses	-	-	325,275	9,611
Other	68,917	19,454	80,829	48,528
	19,138,141	6,464,498	18,873,447	6,510,540
Depreciation and amortisation expenses				
Cost of sales	2,899,376	988,190	2,416,326	805,442
General administrative expenses	73,884	25,950	89,455	24,449
	2,973,260	1,014,140	2,505,781	829,891

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CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2011

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

NOTE 12 - OTHER INCOME/EXPENSES

	1 January - 30 September 2011	1 July - 30 September 2011	1 January - 30 September 2010	1 July - 30 September 2010
Other operating income				
Rent income of the common areas	3,052,165	935,877	2,716,225	839,747
Infrastructure service income	569,597	22,737	124,972	36,510
Other income	122,001	43,525	100,985	31,892
	3,743,763	1,002,139	2,942,182	908,149
Other operating expense				
Compensation expense (*)	(569,841)	-	(1,148,793)	(340,673)
Other	(992)	(992)	-	-
Other operating income - net	(570,833)	(992)	(1,148,793)	(340,673)

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

NOTE 13 - FINANCIAL INCOME

	1 January - 30 September 2011	1 July - 30 September 2011	1 January - 30 September 2010	1 July - 30 September 2010
Financial income				
Foreign exchange income	2,224,401	71,837	3,631,308	2,290,253
Interest income	665,882	149,218	657,169	151,872
Rediscount interest income	2,393	-	1,937	-
Total	2,892,676	221,055	4,290,414	2,442,125

NOTE 14 - FINANCIAL EXPENSES

	1 January - 30 September 2011	1 July - 30 September 2011	1 January - 30 September 2010	1 July - 30 September 2010
Financial expenses				
Foreign exchange expense	2,403,937	(1,455)	2,042,458	243,069
Short-term borrowing expenses	479,214	52,261	1,267,501	379,136
Rediscount interest expenses	3	-	2,220	1,076
Total	2,883,154	50,806	3,312,179	623,281

NOTE 15 - TAX ASSETS AND LIABILITIES

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

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CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2011

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NOTE 16 - EARNINGS PER SHARE

The earnings per share stated in income statement is calculated by dividing net income for the period by the weighted average number of Company's shares for the period. The companies in Turkey are allowed to increase their paid-in capital by issuing "free shares" which represent the increases from retained earnings and revaluation funds. The issue of such shares is treated as the issuance of ordinary shares in the calculation of earnings per share. The weighted average number of shares includes such shares and their retrospective effects.

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

	1 January - 30 September 2011	1 July - 30 September 2011	1 January - 30 September 2010	1 July - 30 September 2010
Weighted average number of shares as of the reporting date (per share of TL 1 nominal value)	20,917,018	20,917,018	20,917,018	20,917,018
Net profit for the period	29,130,936	10,898,099	22,850,527	8,812,629
Earnings per share	1,39	0,52	1,09	0,42

At 26 May 2011 the Company has applied to CMB for registration of the new shares. 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 20,917,018 shares of TL1 nominal value each.

NOT 17 - RELATED PARTY DISCLOSURES

Related party disclosures

	30 September 2011	31 December 2010
Advances given to related parties	1,275,773	5,910,054
Due to related parties	1,243	58,931

	1 January - 30 September 2011	1 July - 30 September 2011	1 January - 30 September 2010	1 July - 30 September 2010
Purchases from related party	24,750,629	4,686,535	20,959,902	1,701,434
Sales to related parties	6,880,322	2,213,443	5,725,995	1,725,219

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. As of 30 September 2011 and 31 December 2010 advances given to related party Üçgen Bakım ve Yönetim Hizmetleri A.Ş. for the renovation is also included in related party purchases.

As of 1 January - 30 September 2011, remuneration provided to top executives management such as the General Manager and the members of Board of Directors is TL623,516 (1 January-30 September 2010: TL631,709).

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NOTE 18 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS

There is no significant change in the Company's financial risk policies and credit risk management compared to prior periods.

Foreign currency risk

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

	30 September 2011	31 December 2010
Assets	276,175	746,218
Liabilities	(428,007)	(26,957,592)
Net position	(151,832)	(26,211,374)

As of 30 September 2011, fluctuation of USD and Euro had been 10% higher/lower ceteris paribus, net income for the period would have been TL15,183 (30 September 2010: TL2,411,697) lower/higher.

As of 30 September 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:

	EUR	USD	TL equivalent
Current assets			
Trade receivables	-	80,000	147,624
Monetary financial assets	3,510	15,387	37,224
Non-current assets			
Other monetary financial assets	36,303	-	91,327
Total assets	39,813	95,387	276,175
Current liabilities			
Other monetary liabilities	-	(144,650)	(266,923)
Other non- monetary financial liabilities	-	-	-
Non-current liabilities			
Other non- monetary financial liabilities	-	(87,294)	(161,084)
Total liabilities	-	(231,944)	(428,007)
Net Foreign Currency Asset / (Liability) Position	39,813	(136,557)	(151,832)
Monetary Items Net Foreign Currency Asset / (Liability) Position	39,813	(49,263)	9,252

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CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2011

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

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

As of 31 December 2010 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:

	EUR	USD	TL Equivalent
Current assets			
Trade receivables	-	418,916	647,643
Monetary financial assets	-	63,761	98,575
Total assets	-	482,677	746,218
Current liabilities			
Financial liabilities	-	(17,173,741)	(26,550,604)
Other monetary financial liabilities	-	(175,958)	(272,031)
Non-current liabilities	-		
Other non- monetary financial liabilities	-	(87,294)	(134,957)
Total liabilities	-	(17,436,993)	(26,957,592)
Net Foreign Currency Asset / (Liability) Position	-	(16,954,316)	(26,211,374)
Monetary Items Net Foreign Currency Asset / (Liability) Position	-	(16,867,022)	(26,076,417)

NOTE 19 - OTHER ISSUES MATERIALLY AFFECTING THE FINANCIAL STATEMENTS AND REQUIRING DISCLOSURE FOR UNDERSTANDING OF THE FINANCIAL STATEMENTS

a) Insurance coverage on assets are as follows;

30 September 2011 : TL234,659,420 (USD127,166,000)
31 December 2010 : TL196,598,636 (USD127,166,000)

b) As per the Board resolutions taken in the years of 2010 and 2011, 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 dollar-denominated rental fees of the tenants of Akmerkez Ticaret Merkezi. This resolution comprises the period March 2009 - April 2011 and April - September 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 - April 2011 and USD1 is not below TL1.2 for May - September 2011 and that the USD rate defined is not to be regarded as a reduction in rental fees and/or amendment of the rental contract.

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NOTE 20 - EVENTS AFTER THE REPORTING PERIOD

As per the Board resolutions taken on 3 October 2011 decisions are made upon to make a 25% discount over the dollar-denominated rental fees of the tenants of Akmerkez Ticaret Merkezi. This resolution comprises the period October 2011 - 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 TL1.35 in that the USD rate defined is not to be regarded as a reduction in rental fees and/or amendment of the rental contract.

NOTE 21 - 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.

In this scope, total assets, total portfolio and information relating to portfolio restrictions are as follows as of 30 September 2011 and 31 December 2010:

Non-consolidated (stand-alone) financial statement accounts items		30 September 2011	31 December 2010
A	Cash and capital market instruments	11,586,567	8,905,678
B	Real estate, real estate-based project, Real estate-based rights	140,119,726	131,965,987
C	Affiliates	-	-
	Due from related parties (non-trade)	-	-
	Other Assets	2,012,406	8,753,363
D	Total Assets	153,718,699	149,625,028
E	Borrowings	-	26,550,604
F	Other financial liabilities	-	-
G	Leasing obligation	-	-
H	Due to related parties (non-trade)	577	577
I	Equity	148,285,749	119,154,813
	Other Liabilities	5,432,373	3,919,034
D	Total Liabilities	153,718,699	149,625,028

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**CONVENIENCE TRANSLATION OF THE NOTES TO THE CONDENSED
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30 SEPTEMBER 2011**

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

**NOTE 21 - SUPPLEMENTARY NOTE: CONTROL OF COMPLIANCE WITH
PORTFOLIO RESTRICTIONS (Continued)**

	30 September 2011	31 December 2010	
Other non-consolidated (stand-alone) financial information			
A1	Portion of cash and capital market instruments reserved for three-year real estate payments	-	-
A2	TL/foreign currency denominated time/demand deposits	11,585,635	8,901,236
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	2,176,729	61,729
K	Encumbrance amounts of encumbered lands which do not belong to the Group and on which a project will be developed	-	-

Portfolio Restriction	30 September 2011	31 December 2010	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)	91%	88%	>50%
3	Cash and capital market instruments and Affiliates (A+C-A1)/D)	8%	6%	<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%	22%	<500%
8	TL/foreign currency denominated time/demand deposits (A2-A1)/D	8%	6%	<10%

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