AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2011 TOGETHER WITH AUDITOR'S REPORT

(ORIGINALLY ISSUED IN TURKISH)

pwc

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITOR'S REPORT

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

1. We have audited the accompanying financial statements of Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. (the "Company"), which comprise the balance sheet as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting standards issued by the Capital Markets Board of Turkey ("CMB"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

pwc

Opinion

4. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. as of 31 December 2011 and of its financial performance and its cash flows for the year then ended in accordance with financial reporting standards endorsed the by the Capital Markets Board of Turkey (Note 2).

Additional paragraph for convenience translation into English

5. 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 consolidated financial statements are not intended to present the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with IFRS.

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

Cansen Başaran Symes, SMMM
Partner

Istanbul, 9 March 2012

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

FINANCIAL STATEMENTS AT 31 DECEMBER 2011

CONTENTS **SAYFA**

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE BALANCE SHEETS AT 31 DECEMBER 2011 AND 2010

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

	Notes	31 December 2011	31 December 2010
ASSETS			
Current assets		**26,509,293**	**11,658,720**
Cash and cash equivalents	3	25,689,014	8,905,678
Trade receivables	5	813,643	1,230,945
Other current assets	9	6,636	1,522,097
Non-current assets		**139,998,478**	**137,966,308**
Investment properties	7	139,271,229	131,965,987
Property and equipment	8	1,452	80,822
Intangible assets		4,620	8,514
Other non-current assets	9	721,177	5,910,985
Total assets		**166,507,771**	**149,625,028**
LIABILITIES			
Current liabilities		**5,099,886**	**30,289,069**
Financial liabilities	4	-	26,550,604
Trade payables			
-Due to related parties	5	2,108	58,931
-Other trade payables	5	144,400	109,714
Other payables	6	759,960	44,641
Provisions	10	3,012,160	2,802,063
Other current liabilities	9	1,181,258	723,116
Non-current liabilities		**239,514**	**181,146**
Provision for employment termination benefits	11	74,624	46,189
Other non-current liabilities	9	164,890	134,957
Equity		**161,168,371**	**119,154,813**
Share capital	12	37,264,000	13,700,000
Adjustment to share capital	12	27,745,263	27,745,263
Restricted reserves	12	35,622,015	33,334,115
Retained earnings	12	18,523,535	15,139,347
Net income for the year	12	42,013,558	29,236,088
Total liabilities and equity		**166,507,771**	**149,625,028**

These financial statements for the year ended 31 December 2011 have been approved for issue by the Board of Directors on 9 March 2012.

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

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

	Notes	2011	2010
CONTINUING OPERATIONS:			
OPERATING INCOME			
Net sales	13	62,753,678	52,509,177
Cost of sales (-)	13	(21,936,225)	(22,285,362)
Gross profit		**40,817,453**	**30,223,815**
Marketing, selling and distribution expenses (-)	14	(38,449)	(8,363)
General administrative expenses (-)	14	(3,529,406)	(3,920,220)
Other income	16	4,971,443	5,023,605
Other expense (-)	16	(570,833)	(1,173,115)
Operating profit		**41,650,208**	**30,145,722**
Financial income	17	3,423,036	4,854,823
Financial expenses (-)	17	(3,059,686)	(5,764,457)
Profit before tax from continuing operations		**42,013,558**	**29,236,088**
Tax expense from continuing operations	19	-	-
Profit for the year from continuing operations		**42,013,558**	**29,236,088**
Other comprehensive income		-	-
Total comprehensive income		**42,013,558**	**29,236,088**
Earnings per share	**18**	**1.68**	**1.17**

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

CONVENIENCE TRANSLATION OF THE STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 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 year	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)	-
Dividend paid		-	-	-	(30,414,000)	-	(30,414,000)
Net profit for the period		-	-	-	-	29,236,088	29,236,088
31 December 2010	**12**	**13,700,000**	**27,745,263**	**33,334,115**	**15,139,347**	**29,236,088**	**119,154,813**
1 January 2011		**13,700,000**	**27,745,263**	**33,334,115**	**15,139,347**	**29,236,088**	**119,154,813**
Transfers		-	-	-	29,236,088	(29,236,088)	-
Capital increase		23,564,000	-	2,287,900	(25,851,900)		-
Net profit for the period		-	-	-		42,013,558	42,013,558
31 December 2011	**12**	**37,264,000**	**27,745,263**	**35,622,015**	**18,523,535**	**42,013,558**	**161,168,371**

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

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

CONVENIENCE TRANSLATION OF THE STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

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

	Notes	2011	2010
Cash flows from operating activities:			
Profit before tax		42,013,558	29,236,088
Adjustments to reconcile net cash generated from operating activities to income before tax:			
Depreciation and amortisation	15	3,831,138	3,714,402
Provision for employment termination benefits	11	28,435	9,344
Debt provision	10	93,900	132,846
Provision for doubtful receivables	6	138,728	253,607
Reversal of provisions	10	(42,103)	(969,577)
Rediscount on notes receivable and post-dated cheques		(2,393)	456
Interest income	17	(1,169,583)	(804,209)
Expense accruals	9	35,645	15,581
Interest expense	17	603,305	1,734,000
Net cash before changes in net working capital:		**45,530,630**	**33,322,538**
Decrease / (increase) in trade receivables		280,967	(18,732)
Decrease / (increase) in other receivables		1,515,461	(939,333)
(Decrease) / increase in trade payables		(22,137)	160,559
Increase / (decrease) in other payables		709,607	(26,974)
Increase / (decrease) in other liabilities		493,816	(137,211)
Net cash provided by operating activities		**48,508,344**	**32,360,847**
Interests received		(1,104,246)	794,032
Decrease / (increase) in other long-term assets		5,189,808	14,835,695
Net cash used for investment properties	7	(11,053,116)	(24,593,559)
Net cash used in investing activities		**(4,759,062)**	**(8,963,832)**
Cash (outflows) /inflows related to short and long term borrowings		(26,550,604)	1,504,500
Interest paid		(480,679)	(2,489,799)
Dividends paid		-	(30,414,000)
Net cash used in financing activities		**(27,031,283)**	**(31,399,299)**
Increase/ (decrease) in cash and cash equivalents		**16,717,999**	**(8,002,284)**
Cash and cash equivalents at the beginning of the period		8,895,501	16,897,785
Cash and cash equivalents at the end of the period	3	**25,613,500**	**8,895,501**

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

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

The principal 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 Registrar 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 31 December 2011 50.04% of these shares are publicly quoted.

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

	31 December 2011	**31 December 2010**
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	13.12%	13.12%
Tekfen Holding A.Ş.	10.79%	10.79%
Public offering	50.04%	49.00%
Other *	26.05%	27.09%
Total	**100.00%**	**100.00%**

(*) Other represents shareholders with less than 10% shareholdings.

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

	2011	**2010**
Administrative	4	4

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Accounting Standards

The financial statements of the Company have been prepared in accordance with the accounting and reporting principles published by the Capital Markets Board ("CMB"), namely "CMB Financial Reporting Standards". CMB regulated the principles and procedures of preparation, presentation and announcement of financial statements prepared by the entities with Communiqué Serial XI No. 29, "Principles of Financial Reporting in Capital Markets" ("the Communiqué"). The Communiqué is effective for the annual periods starting from 1 January 2008 and supersedes Communiqué Serial XI No. 25, "The Accounting Standards in the Capital Markets". 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 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.

As the differences of the IAS/IFRS endorsed by the European Union from the ones issued by the IASB have not been announced by TASB as of the date of preparation of these financial statements, the financial statements have been prepared within the framework of Communiqué Serial XI No. 29 and related promulgations to this Communiqué as issued by the CMB, in accordance with the CMB Financial Reporting Standards which are based on IAS/IFRS. The consolidated financial statements and the related notes to them are presented in accordance with the formats recommended by the CMB, with the announcements dated 14 April 2008 and 9 January 2009, including the compulsory disclosures.

The Company maintains its books of account and prepare its statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance and accounting principles issued by the CMB. These 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. These financial statements have been prepared in Turkish Lira by taking into consideration the historical costs except for the financial assets and liabilities which are accounted for at their fair values.

The Board of Directors of the Company and the CMB retain the power to amend the interim financials whereas the annual financial statements can be amended by the General Assembly and the CMB.

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

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, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with CMB Financial Reporting Standards. Accordingly, IAS 29, "Financial Reporting in Hyperinflationary Economies", issued by the IASB, has not been applied in the financial statements for the accounting year commencing 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.

Offsetting

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

Going concern

The Company has prepared the financial statements for the period 1 January - 31 December 2011 in accordance with the going concern principle.

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 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

Significant changes in accounting policies or material errors are corrected, retrospectively; by restating the prior period financial statements.

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

The Company complies with the principles and articles of valid 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 December 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 - 31 December 2011 in comparison with 1 January - 31 December 2010. Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current period. In this respect, the Company classified the interest and foreign exchange differences attributable to the provisions amounting to TL212,104 from the general administrative expenses to finance expenses in the comparative comprehensive statement of income the year ended 31 December 2010.

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

2.2.1 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 2011:

- IAS 32 (amendment), "Financial instruments: Presentation", is effective for annual periods beginning on or after 1 February 2010.
- IFRIC 19, "Extinguishing financial liabilities with equity instruments", is effective for annual periods beginning on or after 1 July 2010.
- IFRS 1 (amendment), "First-time adoption of IFRS", is effective for annual periods beginning on or after 1 July 2010.
- IAS 24 (revised), "Related party disclosures", is effective for annual periods beginning on or after 1 January 2011.
- IFRIC 14 (amendment), "IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction", is effective for annual periods beginning on or after 1 January 2011.
- Annual Improvements to IFRSs 2010. Amendments effect six standards and one IFRIC: IFRS 1, IFRS 3, IFRS 7, IAS 27, IAS 34 and IFRIC 13.

Standards, amendments and interpretations not yet effective as of 31 December 2011 and not early adopted by the Company:

- 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.
- 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 January 2013.
- 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.
- 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.
- IFRIC 20, Stripping costs in the production phase of a surface mine.

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

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 - 31 December 2011 there has been no change in the accounting estimates.

2.4 Summary of Significant Accounting Policies

The significant accounting policies followed in the preparation of the financial statements are summarized below:

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and highly liquid investments, whose maturity at the time of purchase is less than three months and conversion risk on value at the date of sale is immaterial.

Related parties

A party is related to an entity if the party is a legal body or a real person which directly or indirectly controls, is controlled by, or is under common control with the entity, has an interest in the entity that gives it significant influence over the entity, and if the party is a subsidiary, an affiliate or a joint venture in which the entity is a venture. Furthermore, members of the key management personnel of the entity, close members of the family of any individual referred to above, and parties representing post-employment benefit plan for the benefit of employees of the entity are also defined as related parties.

Trade receivables and payables

Trade receivables are financial assets created by the Company through selling services directly to the tenants. Trade receivables of the Company are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method. Short term receivables with no stated interest rate are measured at original invoice amount unless the effect of imputing interest is significant.

An impairment provision for trade receivables is established if there is objective evidence that the Company will not be able to collect all amounts due in accordance with the original agreement terms. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is reversed through other operating income.

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

Trade payables consist of payables to suppliers for purchases of goods and services. Trade payables and other financial liabilities are accounted for at amortized cost. Short term payables with no stated interest rate are measured at original invoice amount unless the effect of imputing interest is significant.

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 capitalize 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 recognized as expense. The Company's financial obligations consist of operational bank loans and accordingly borrowing costs are recognized as expense.

Current and deferred income taxes

The Corporate Tax Law No: 5520 was amended on 21 June 2006 with the Law announced in the Official Journal No 26205. 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 Company 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 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.

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.

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

Employment termination benefits

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement.

The amount payable consists of one month's salary limited to a maximum of TL 2,731.85 (TL in full) as of 31 December 2011

Provision which is allocated by using the defined benefit obligation's current value is calculated by using estimated liability method. All actuarial profits and losses are recognised in the comprehensive statement of income.

The employment termination benefit obligation as explained above is considered as a defined benefit plan under IFRS. IFRS, requires actuarial valuation methods to be developed to estimate the enterprise's obligation for such benefits. The liability for this unfunded plan recognized in the balance sheet is the full present value of the defined benefit obligation at the end of the reporting period, calculated using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows from the retirement of its employees using the long term TL interest rates.

The principal actuarial assumption is that the maximum liability will increase in line with inflation. Thus the effective discount rate applied represents the expected real interest rate after adjusting for the effects of future inflation. As the maximum liability amount is revised semi-annually by the authorities, the maximum amount of TL 2,805.04 (TL in full) which is effective from 1 January 2012 has been taken into consideration when calculating the liability (1 January 2011: TL 2,623.23)

Provisions, contingent assets and liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are not recognized for future operating losses.

Contingent assets or contingent obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company are not included in financial statements and are treated as contingent assets or liabilities.

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

Property 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
Furniture and fixtures	5

Subsequent costs incurred for tangible assets are included in the asset's carrying amount or recognized 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 are charged to the income statements during the financial period in which they were 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 or utilised by the Company in the normal course of business, is classified as investment property.

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 account.

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

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

Impairment of assets

The Company reviews all assets including tangible assets at each balance sheet date in order to see if there is a sign of impairment on the stated asset. If there is such a sign, carrying amount of the stated asset is projected. Impairment exists if the carrying value of an asset or a cash generating unit including the asset is greater than its net realizable value. Net recoverable value is the higher of the net sales value or value in use. Value in use is the present value of cash flows generated from the use of the asset and the disposal of the asset after its useful life. Impairment losses are recorded in comprehensive income statement. Impairment loss for an asset is reversed, if an increase in recoverable amount is related to a subsequent event following the booking of impairment by not exceeding the amount reserved for impairment.

Revenue recognition

Revenue is recognised when the amount of revenue can be measured reliably and when it is probable that the economic benefits associated with the transaction will flow to the Company. Revenue is presented net of value added and sales taxes. The following criteria are necessary for the recognition of revenue:

Rent income from investment properties

Rent income from investment properties is recognised on an accrual basis. Revenue is realized when economic benefits arising from the transaction have passed, and when the amount of such income can be reliably measured. Rent discounts and similar promotions granted to existing tenants from time to time are netted of from rent revenues as they are not rent incentives for acquisition of new contracts.

The minimum amount of the total rent payments to be received in the future periods based on the existing contracts are summarised below ;

	31 December 2011	31 December 2010
Within 1 year	69,387,549	65,259,897
1 to 5 years	237,146,560	186,967,483
Over 5 years	126,760,852	121,387,559
	433,294,961	**373,614,939**

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

Interest income and expense

Interest income and expense is accounted for using the effective interest rate method. Interest income comprises mostly interest income from time deposits.

Interest expenses incurred from borrowings are calculated using the effective interest rate method .

Paid-in capital

Ordinary shares are classified as equity. Proceeds from issuing new equity instruments are recorded net of transaction costs.

Earnings per share

Earnings per share are determined by dividing net comprehensive income by the weighted average number of shares that have been outstanding during the period concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of their shares ("Bonus Shares") to existing shareholders funded from retained earnings or other reserves. For the purpose of earnings per share computations, such Bonus Share issuances are regarded as issued shares for all periods presented and accordingly the weighted average number of shares used in earnings per share computations in prior periods is adjusted retroactively for the effects of these shares, issued without receiving cash or another consideration from shareholders.

Reporting of cash flows

Cash flows statement includes cash and cash equivalents, cash with original maturity periods of less than three months and bank deposits.

Subsequent events

Subsequent events cover any events which arise between the reporting date and the balance sheet date, even if they occurred after any declaration of the net profit for the period or specific financial information publicly disclosed. The Company adjusts or provides disclosure in its financial statements if such subsequent events arise that require an adjustment or disclosure to the financial statements.

(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 December 2011 and 2010 are as follows:

	31 December 2011	31 December 2010
Cash	4,219	4,442
Banks		
- TL time deposit	25,075,514	8,776,177
- TL demand deposit	523,577	26,484
- Foreign currency denominated demand deposit	85,704	98,575
	25,689,014	**8,905,678**

As of 31 December 2011, the interest rate on TL deposit accounts at bank is 12.25% and the accrued interest amounts to TL 75,514. The maturity of TL time deposit is 24 January 2012.

As of 31 December 2010, the interest rate on TL deposit accounts at banks varies between 6.40% and 8.70% and the accrued interest is equal to TL 10,177. The maturity dates of TL bank deposit vary between 3 January 2011 and 27 January 2011.

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

	31 December 2011	31 December 2010
Cash and cash equivalents	25,689,014	8,905,678
Less: accrued interest	(75,514)	(10,177)
	25,613,500	**8,895,501**

NOTE 4 - FINANCIAL LIABILITIES

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

	Original Currency		Weighted average interest rate (%)		Domestic Currency	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010
USD	-	17,173,741	-	3.2%	-	26,550,604
	-	**17,173,741**	-		-	**26,550,604**

The 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 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 31 December 2011 there are no borrowings.

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

NOTE 5 - TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables

	31 December 2011	31 December 2010
Trade receivables	3,983,985	4,165,427
Notes and post-dated cheques receivable	-	99,525
Rediscount on notes and post-dated cheques receivable (-)	-	(2,393)
	3,983,985	**4,262,559**
Less: Provision for doubtful receivables	(3,170,342)	(3,031,614)
	813,643	**1,230,945**

Provision for doubtful trade receivables as of 31 December 2011 and 2010 consist of the following:

	2011	2010
1 January	**3,031,614**	**2,778,007**
Provisions made during the period	138,728	253,607
31 December	**3,170,342**	**3,031,614**

	31 December 2011	31 December 2010
Short-term trade payables		
Trade payables	144,400	109,714
Due to related parties (Note 20)	2,108	58,931
	146,508	**168,645**

NOTE 6 - OTHER RECEIVABLES AND PAYABLES

As of 31 December 2011 and 2010 there are no other receivables.

	31 December 2011	31 December 2010
Short-term other payables		
Taxes payable	755,176	40,575
Social security's payable	4,784	4,066
	759,960	**44,641**

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

NOTE 7 - INVESTMENT PROPERTIES

Movement schedule of investment properties for the years ending on 31 December 2011 and 2010 are as follows:

	1 January 2011	Additions	Transfers	31 December 2011
Cost				
Buildings	172,387,423	-	2,016,757	174,404,180
Construction in progress (*)	422,398	11,053,116	(2,016,757)	9,458,757
	172,809,821	**11,053,116**	**-**	**183,862,937**
Accumulated depreciation				
Buildings	40,843,834	3,747,874	-	44,591,708
	40,843,834	**3,747,874**	**-**	**44,591,708**
Net Book Value	**131,965,987**			**139,271,229**

	1 January 2010	Additions	Transfers	31 December 2010
Cost				
Buildings	136,566,099	-	35,821,324	172,387,423
Construction in progress (*)	11,650,163	24,593,559	(35,821,324)	422,398
	148,216,262	**24,593,559**	**-**	**172,809,821**
Accumulated depreciation				
Buildings	37,246,546	3,597,288	-	40,843,834
	37,246,546	**3,597,288**		**40,843,834**
Net Book Value	**110,969,716**			**131,965,987**

(*) As of 31 December 2011 and 2010 construction in progress comprise expenditures related with the renovation of Akmerkez facilities. Significant part of the renovation work pertaining to shopping mall and parking block has been completed in 2011, the management plans to start and complete the renovation of the exteriors of the building within 2012.

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

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

NOTE 8 - PROPERTY AND EQUIPMENT

	1 January 2011	Additions	31 December 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	79,370	7,454,357
Machinery and equipment	99,702	-	99,702
	7,474,689	**79,370**	**7,554,059**
Net book value	**80,822**		**1,452**

	1 January 2010	Additions	31 December 2010
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	7,259,795	115,192	7,374,987
Machinery and equipment	99,702	-	99,702
	7,359,497	**115,192**	**7,474,689**
Net book value	**196,014**		**80,822**

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

NOTE 9 - OTHER ASSETS AND LIABILITIES

Other current assets	31 December 2011	31 December 2010
Prepaid expenses	6,636	5,051
Deferred VAT	-	1,517,046
	6,636	**1,522,097**

Other non-current assets	31 December 2011	31 December 2010
Advances given (*)	720,975	5,910,054
Other	202	931
	721,177	**5,910,985**

(*) Consists of advances given to Üçgen Bakım ve Yönetim Hizmetleri A.Ş, a related party, regarding the renovation work of exteriors of the shopping mall.

Other current liabilities

	31 December 2011	31 December 2010
Deferred income	1,052,465	688,570
Advances received	93,148	18,965
Accrued expenses	35,645	15,581
	1,181,258	**723,116**

Other long-term liabilities

	31 December 2011	31 December 2010
Deposits and guarantees received	164,890	134,957
	164,890	**134,957**

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

NOTE 10 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provision, contingent assets and liabilities consist of the following:

Real rights on immovables are as follows:

a) There is a rental restriction in favour of TEK (Turkish Electricity Institution) with registry dated 31 December 1992 No: 5538.

b) 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) resgistered on 17 April 1995, No: 1315.

	31 December 2011	31 December 2010
Guarantee notes and letters		
Guarantee notes and cheques received	5,309,700	5,680,528
Letters of guarantees received	3,764,663	3,189,340
	9,074,363	**8,869,868**

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

As of 31 December 2011, the guarantees given by the Company relate to the ongoing legal claims amounting to TL2,209,229 (31 December 2010: TL61,729).

Provision for lawsuits

The provision for the lawsuits against the Company as of 31 December 2011 amount to TL3,012,160 (31 December 2010: TL 2,802,063). The movements of provision for lawsuits are as follows:

	2011	2010
1 January	2,802,063	3,426,690
Provisions made during the period	93,900	132,846
Foreign exchange differences and interests	158,300	212,104
Reversals	(42,103)	(969,577)
31 December	**3,012,160**	**2,802,063**

NOTE 11 - EMPLOYEE BENEFITS

Liabilities related to employee benefits consist of provisions for employment termination benefits. The movements of the provision for 2011 and 2010 are as follows:

	2011	2010
1 January	**46,189**	**36,845**
Current year charge	28,435	9,344
31 December	**74,624**	**46,189**

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

NOTE 12 - SHAREHOLDERS' EQUITY

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

	31 December 2011		31 December 2010	
Shareholders	**Shareholding (%)**	**Amount**	**Shareholding (%)**	**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
Public quotation	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	**100.00**	**37,264,000**	**100.00**	**13,700,000**

(*) Represents 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.

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 (31 December 2010: 149,843,750 Class A shares, 104,462,500 Class B shares, 88,193,750 Class C shares, 1,027,500,000 Class D shares).

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.

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

NOTE 12 - SHAREHOLDERS' EQUITY (Continued)

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.

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.

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.

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

	31 December 2011	**31 December 2010**
Share capital	37,264,000	13,700,000
Adjustment to share capital	27,745,263	27,745,263
Restricted reserves	35,622,015	33,334,115
Retained earnings	18,523,535	15,139,347
Net income for the period	42,013,558	29,236,088
	161,168,371	**119,154,813**

The break-down of retained earnings is as follows:

	31 December 2011	**31 December 2010**
Retained earnings	1,174,882	1,174,882
Extraordinary reserves	13,365,437	9,981,249
Inflation difference on extraordinary reserves	521,985	521,985
Inflation difference on legal reserves	3,461,231	3,461,231
	18,523,535	**15,139,347**

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

NOTE 13 - SALES AND COST OF SALES

	31 December 2011	31 December 2010
Sales		
Stores and warehouse rent income	60,303,144	50,867,059
Apart hotel rent income	2,450,534	1,642,118
	62,753,678	**52,509,177**
Cost of sales		
Cost of services	(18,188,351)	(18,688,074)
Depreciation expense	(3,747,874)	(3,597,288)
	(21,936,225)	**(22,285,362)**
Gross profit	**40,817,453**	**30,223,815**

NOTE 14 - MARKETING, SELLING AND DISTRIBUTION EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES

	31 December 2011	31 December 2010
Marketing, selling and distribution expenses		
Advertisement expenses	38,449	8,363
	38,449	**8,363**

	31 December 2011	31 December 2010
General administrative expenses		
Personnel expenses	1,092,852	1,027,884
Legal expenses	1,078,688	939,159
Taxes, duties and funds	635,616	618,408
Consultancy expenses	170,127	202,729
Provision for doubtful receivables	138,728	253,607
Depreciation and amortisation	83,264	117,114
Provisions for litigations	93,900	132,846
Provision for employment termination benefits	28,435	9,344
Insurance expense	10,949	10,404
Store decoration expenses	-	334,610
Other	196,847	274,115
	3,529,406	**3,920,220**

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

DİPNOT 15 - EXPENSES BY NATURE

	31 December 2011	31 December 2010
Depreciation and amortisation		
Cost of sales	3,747,874	3,597,288
General and administrative expenses	83,264	117,114
	3,831,138	**3,714,402**

Allocation of depreciation and amortisation charges

	31 December 2011	31 December 2010
Investment properties (Note 7)	3,747,874	3,597,288
Tangible assets (Note 8)	79,370	115,192
Intangible assets	3,894	1,922
	3,831,138	**3,714,402**

NOTE 16 - OTHER INCOME/EXPENSES

	31 December 2011	31 December 2010
Other operating income		
Shopping Mall - shared area rent income	4,206,216	3,788,244
Infrastructure service income	569,597	154,334
Reversals from provisions	42,103	969,577
Other	153,527	111,450
	4,971,443	**5,023,605**

Other operating expense

Compensation expenses (*)	(569,841)	(1,148,793)
Diğer	(992)	(24,322)
	(570,833)	**(1,173,115)**

(*) Compensations paid to tenants discharged prior to their contract expiration dates.

NOTE 17 - FINANCIAL INCOME /EXPENSES

	31 December 2011	31 December 2010
Financial income		
Foreign exchange gains	2,251,060	4,048,677
Interest income	1,169,583	804,209
Rediscount interest income	2,393	1,937
	3,423,036	**4,854,823**

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

NOTE 17 - FINANCIAL INCOME /EXPENSES (Continued)

	31 December 2011	31 December 2010
Financial expenses		
Foreign exchange losses	(2,456,381)	(4,030,457)
Interest expense	(603,305)	(1,731,607)
Rediscount interest expenses	-	(2,393)
	(3,059,686)	**(5,764,457)**

NOTE 18 – EARNINGS PER SHARE

The earning 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.

	31 December 2011	31 December 2010
Weighted average number of shares as of the reporting date (per share of TL 1 nominal value)	25,060,055	25,060,055
Net profit	42,013,558	29,236,088
Earnings per share	**1.68**	**1.17**

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 25,060,055 shares in average, of TL1 nominal value each.

NOTE 19 - TAX ASSETS AND LIABILITIES

The Company is exempt from corporate income tax in accordance with paragraph 4-d of Article 8 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.

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

NOTE 20 - RELATED PARTY DISCLOSURES

a) As of 31 December 2011 and 2010 there are no receivables from related parties, due to related parties as of the same dates are as follows:

	31 December 2011	31 December 2010
Due to related parties		
Aktek Bilgi İletişim Teknoloji San. Ve Tic. A.Ş.	748	540
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	744	3,605
Due to shareholders	616	577
Üçgen Bakım ve Yönetim Hizmetleri A.Ş.	-	54,209
	2,108	**58,931**

	31 December 2011	31 December 2010
Advances given		
Üçgen Bakım ve Yönetim Hizmetleri A.Ş. (Note 9)	720,975	5,910,054

b) As of 31 December 2011 and 2010, sales and purchases from related parties are as follows:

	2011	2010
Sales to related parties:		
Akmerkez Lokantacılık Gıda San. Tic. A.Ş.	937,069	824,683
Tekfen Turizm İşletmeleri A.Ş.	235,896	204,085
Akiş Gayrimenkul Yatırımı A.Ş.	108,942	114,721
Eurobank Tekfen A.Ş.	-	150
	1,281,907	**1,143,639**

	2011	2010
Purchases from related parties:		
Üçgen Bakım ve Yönetim Hizmetleri A.Ş.	29,802,054	43,894,368
Ak Depo Lojistik ve Dış Ticaret A.Ş.	68,228	58,784
Aktek Bilgi İşletişim ve Teknoloji Sanayi ve Ticaret A.Ş.	9,168	6,065
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	4,984	22,056
Akmerkez Lokantacılık Gıda San. Tic. A.Ş.	874	248
	29,885,308	**43,981,521**

Purchases and sales consist of rent income, purchase and sales of services and similar items. The Company receives services like security, maintenance, repair, cleaning, and management from the related party Üçgen Bakım ve Yönetim Hizmetleri A.Ş. to whom the Company charged TL8,146,112 regarding the revenues collected on behalf of the Company (2010:TL6,704,158).

c) Remuneration of key management:

	31 December 2011	31 December 2010
Salaries	**886,690**	**852,214**

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

NOTE 21 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Liquidity Risk

The ability to fund the Company's financial and trade liabilities are managed by taking into account its expected undiscounted cash flows.

Liquidity risk is the inability of the Company to match the net funding requirements with sufficient liquidity. As of 31 December 2010 the Company's current liabilities exceeded its current assets by TL18.630.349. In 2011, the Company increased capital by TL23,564,000 (Note 12) and consequently as of 31 December 2011, the current liabilities exceeded the current assets by TL21,409,407. The management does not anticipate any difficulty on the repayment of the short-term liabilities and continuity of the Company considering the cash that will be generated from rental operations and the ability to reach to the high quality borrowers.

The analysis of the Company's financial liabilities with respect to their maturities as of 31 December 2011 is as follows:

Expected Maturities	**Booked value**	**Cash outflows expected**	**Shorter than 3 months**	**3-12 months**	**1 -5 years**	**Longer than 5 years**
Non-derivate financial liabilities						
Trade payables	146,508	146,508	145,892	616	-	-
Other payables and liabilities	924,850	924,850	759,960	-	105,865	59,025
	1,071,358	**1,071,358**	**905,852**	**616**	**105,865**	**59,025**

The analysis of the Company's financial liabilities with respect to their maturities as of 31 December 2010 is as follows:

Maturities per contract	**Booked value**	**Cash outflows per conract**	**Shorter than 3 months**	**3-12 months**	**1 -5 years**	**Longer than 5 years**
Non-derivate financial liabilities						
Financial liabilities	**26,550,604**	**26,911,011**	**-**	**26,911,011**	**-**	**-**

Expected Maturities	**Booked value**	**Cash outflows expected**	**Shorter than 3 months**	**3-12 months**	**1 -5 years**	**Longer than 5 years**
Non-derivate financial liabilities						
Trade payables	168,645	168,645	168,645	-	-	-
Other payables and liabilities	179,598	179,598	44,641	-	134,957	-
	348,243	**348,243**	**213,286**	**-**	**134,957**	**-**

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

NOTE 21 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Interest rate risk

The Company is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. These exposures are managed by offsetting interest rate sensitive assets and liabilities and using derivative instruments when considered necessary.

In this context, matching of not only maturities of receivables and payables but also contractual repricing dates are crucial. In order to keep the exposure of financial liabilities to interest rate changes at a minimum, "fixed interest/floating interest", "short-term/long-term", "TRY/foreign currency" balance should be structured consistent within and with assets in the balance sheet.

The interest position as of 31 December 2011 and 2010 is set out in the table below :

	31 December 2011	31 December 2010
Financial instruments with fixed interest		
Time deposits	25,075,514	8,776,177
Bank loans	-	26,550,604

As of 31 December 2011 and 2010, there are no financial instruments with variable interest.

Credit risk

The Company is subject to credit risk arising from trade receivables related to credit sales and deposits at banks.

The Company management evaluates trade receivables taking into consideration the collaterals received, past experiences and current economic outlook and makes provisions for doubtful receivables when deemed necessary. The Company management does not foresee additional risk related to the Company's trade receivables other than the related provisions made.

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

NOTE 21 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Credit risk disclosures

Credit and receivable risk of financial instruments as of 31 December 2011 is as follows:

	Receivables					
	Trade Receivables		Other Receivables			
31 December 2011	**Related party**	**Third party**	**Related party**	**Third party**	**Bank deposits**	**Other**
Maximum credit risk exposed as of the reporting date (A+B+C+D) (*)	-	**813,643**	-	**202**	**25,684,795**	**4,219**
-Secured portion of the maximum credit risk by guarantees	-	75,516	-	-	-	-
A. Net book value of financial assets that are neither overdue nor impaired	-	556,674	-	202	25,684,795	4,219
B. Book value of financial assets whose conditions are revised and which otherwise would be considered as overdue or impaired	-	-	-	-	-	-
C. Net book value of overdue assets that are not impaired		256,969	-	-	-	-
- Secured portion by guarantees, etc.	-	75,516	-	-	-	-
D. Net book values of impaired assets	-	-	-	-	-	-
- Overdue (gross book value)	-	3,170,342	-	-	-	-
- Impairment (-)	-	(3,170,342)	-	-	-	-
- Secured portion by guarantees, etc.	-	-	-	-	-	-

(*) In determining the amount of credit risk exposed, factors that increase credit reliability, i.e. the guarantees received, are not taken into consideration.

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

DİPNOT 21 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Credit risk disclosures

Credit and receivable risk of financial instruments as of 31 December 2010 is as follows:

	Receivables					
	Trade Receivables		Other Receivables			
31 December 2011	**Related party**	**Third party**	**Related party**	**Third party**	**Bank deposits**	**Other**
Maximum credit risk exposed as of the reporting date (A+B+C+D) (*)	**-**	**1,230,945**	**-**	**202**	**8,901,236**	**4,442**
-Secured portion of the maximum credit risk by guarantees	-	168,400	-	-	-	-
A. Net book value of financial assets that are neither overdue nor impaired	-	830,133	-	202	8,901,236	4,442
B. Book value of financial assets whose conditions are revised and which otherwise would be considered as overdue or impaired	-	-	-	-	-	-
C. Net book value of overdue assets that are not impaired	-	400,812	-	-	-	-
- Secured portion by guarantees, etc.	-	168,400	-	-	-	-
D. Net book values of impaired assets	-	-	-	-	-	-
- Overdue (gross book value)	-	3,031,614	-	-	-	-
- Impairment (-)	-	(3,031,614)	-	-	-	-
- Secured portion by guarantees, etc.		-	-	-	-	-

(*) In determining the amount of credit risk exposed, factors that increase credit reliability, i.e. the guarantees received, are not taken into consideration.

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

NOTE 21 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

As of 31 December 2011, aging of financial assets that are past due but not impaired is as follows:

	Trade receivables
0-1 months past due	169,036
1-3 months past due	84,400
3-12 months past due	-
1-5 years past due	3,533
More than 5 years past due	-
	256,969

As of 31 December 2010, aging of financial assets that are past due but not impaired is as follows:

	Trade receivables
0-1 months past due	233,607
1-3 months past due	18,181
3-12 months past due	138,627
1-5 years past due	10,397
More than 5 years past due	-
	400,812

Foreign Currency Risk

The Company's foreign currency balances arising from operating, investment, and financial activities are disclosed below as of the reporting date. The Company may be exposed to foreign currency risk due to foreign exchange differences at the time its foreign currency receivables and payables are converted to Turkish Lira. The foreign currency risk is monitored through continuous analysis of the foreign currency position and measured on the basis of sensitivity analyses.

As of 31 December 2011 and 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:

31 December 2011	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 Liability Position	**(136,571)**	**(257,969)**
Monetary Items Net Foreign Currency Liability Position	**(49,277)**	**(93,079)**

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

NOTE 21 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2010	**USD**	**TL Equivalent**
Current assets		
Trade receivables	418,916	647,643
Monetary financial sssets	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 Liability Position	**(16,954,316)**	**(26,211,374)**
Monetary Items Net Foreign Currency Liability Position	**(16,867,022)**	**(26,076,417)**

The table below shows the Company's sensitivity for 10% fluctuation of USD. These amounts represent the effect on comprehensive income of 10% fluctuation of USD against TL. During this analysis all other variables especially interest rate are assumed to remain constant.

Foreign currency sensitivity analysis as of 31 December 2011 and 2010 are as follows:

31 December 2011	**Profit/loss**		**Equity**	
	Value increase in foreign currency	**Loss in value of foreign currency**	**Value increase in foreign currency**	**Loss in value of foreign currency**
When USD changes by 10% against TL:				
Net assets/(liabilities) in USD	(25,797)	25,797	-	-
Hedged portion	-	-	-	-
USD Net effect	**(25,797)**	**25,797**	**-**	**-**

31 December 2010	**Profit/loss**		**Equity**	
	Value increase in foreign currency	**Loss in value of foreign currency**	**Value increase in foreign currency**	**Loss in value of foreign currency**
When USD changes by 10% against TL:				
Net assets/(liabilities) in USD	(2,621,137)	2,621,137	-	-
Hedged portion	-	-	-	-
USD Net effect	**(2,621,137)**	**2,621,137**	**-**	**-**

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

NOTE 21 - NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Capital Risk Management

For proper management of capital risk, the Company aims;

- to maintain continuity of operations so as to provide earnings to partners and benefits to other shareholders, and
- to increase profitability through determining a service pricing policy that is commensurate with the level of risks inherent in the market.

The Company determines the amount of share capital in proportion to the risk level. The equity structure of the Company is arranged in accordance with the economic outlook and the risk attributes of assets.

The Company monitors capital management by using the debt/equity ratio. This ratio is calculated by dividing the debt, net, by the total share capital. The net debt is calculated by deducting the value of cash and cash equivalents from the total debt (the sum of short and long term liabilities stated in the statement of financial position). The total share capital is the sum of all equity items stated in the statement of financial position.

The share capital has been increased to TL37,264,000 in 2011 as further explained in Note 12. The equity and asset structure gained strength as a result of the capital increase. In this respect, as of 31 December 2010 the net liability amounting to TL21,564,537 changed to a net asset position amounting to TL20.349.614 as of 31 December 2011 as shown below:

	31 December 2011	31 December 2010
Total debt (*)	5,339,400	30,470,215
Less: cash and cash equivalents (Note 3)	(25,689,014)	(8,905,678)
Net debt	(20,349,614)	21,564,537
Total equity (Note 12)	161,168,371	119,154,813
Debt/equity Ratio	**(%13)**	**%18**

(*) The balance covers the sum of short term and long term liabilities.

NOTE 22 - FINANCIAL INSTRUMENTS (DISCLOSURES RELATED TO FAIR VALUE AND HEDGE ACCOUNTING)

Fair value of financial instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The fair values of financial instruments that are not traded in an active market have been determined by the Company using available market information and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein may differ from the amounts the Company could realise in a current market exchange.

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

Financial assets:

The fair values of cash and due from banks are considered to approximate their respective carrying values due to their short-term nature.

Values appraised by the independent valuation expert are disclosed within notes to financial statements regarding the fair values of investment properties.

The carrying value of trade receivables, which are measured at amortised cost, along with the related allowances for uncollectability are assumed to approximate their fair values.

The fair values of balances denominated in foreign currencies, which are translated at year-end official exchange rates announced by the Central Bank of Turkey, are considered to approximate their carrying value.

Financial liabilities:

The Company has no financial assets held for speculative purposes (including derivative instruments) and has no operations related to the trade of such instruments.

The fair value of the short term bank loans with fixed interest rate is assumed to be equivalent to the recorded values computed by adding the accrued interest liabilities calculated over the effective interest rate as of the reporting dates on the cost of the mentioned financial debts.

Employment termination benefits are accounted for at their discounted amounts.

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

NOTE 23 - SUBSEQUENT EVENTS

The ceiling for the employment termination benefit which amounted to TL 2,731.85 as of 31 December 2011 has been increased to TL 2,805,04 with effect from 1 January 2012 (31 December 2010 - TL 2,623.23).

As per the Board resolutions taken on 2 January and 1 March 2012 decisions are made upon to make a 20% discount over the dollar-denominated rental fees of the tenants of Akmerkez Ticaret Merkezi. This resolution comprises the period January to May 2012 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 24 - OTHER ISSUES MATERIALLY AFFECTING THE FINANCIAL STATEMENTS AND REQUIRING DISCLOSURE FOR UNDERSTANDING OF THE FINANCIAL STATEMENTS

a) Insurance coverage on assets as of 31 December 2011 and 2010 is as follows;

31 December 2011 :	127,166,000	USD
31 December 2010 :	127,166,000	USD

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 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 1,35 TL.

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

NOTE 25 - 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 31 December 2011 and 2010:

	Non-consolidated (stand-alone) financial statement accounts items	**31 December 2011**	**31 December 2010**
A	Cash and capital market instruments	25,689,014	8,905,678
B	Real estate, real estate-based project, Real estate-based rights	139,271,229	131,965,987
C	Affiliates	-	-
	Due from related parties (non-trade)	-	-
	Other Assets	**1,547,528**	**8,753,363**
D	**Total Assets**	**166,507,771**	**149,625,028**
E	Borrowings	-	26,550,604
F	Other financial liabilities	-	-
G	Leasing obligation	-	-
H	Due to related parties (non-trade)	616	577
I	Equity	161,168,371	119,154,813
	Other Liabilities	**5,338,784**	**3,919,034**
D	**Total Liabilities**	**166,507,771**	**149,625,028**

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

NOTE 25 - SUPPLEMENTARY NOTE: CONTROL OF COMPLIANCE WITH PORTFOLIO RESTRICTIONS (Continued)

		31 December 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	25,684,795	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	2,209,229	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		**31 December 2011**	**31 December 2010**	**Minumum / 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)	84%	88%	>50%
3	Cash and capital market instruments and Affiliates (A+C-A1)/D)	15%	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	15%	6%	<10%

(*) As of 31 December 2011, the fair value of the investment property amounts to TL1,002,060,000 (Note 7), however within the table above, the net book value of the investment property on the basis of the historical cost is stated which amounts to TL139,271,229 at the same date. When the fair value of the investment property is taken into consideration, the ratio of TL/foreign currency denominated time/demand deposit to total assets is 2.6% at 31 December 2011 (31 December 2010: 1%).

....