



**AKMERKEZ GAYRİMENKUL
YATIRIM ORTAKLIĞI
ANONİM ŞİRKETİ**

**ACTIVITY REPORT
COVERING THE PERIOD OF
01.01.2019 – 30.06.2019**

(Convenience translation of a report originally issued in Turkish)

REVIEW REPORT ON COMPLIANCE OF INTERIM OPERATING REPORT

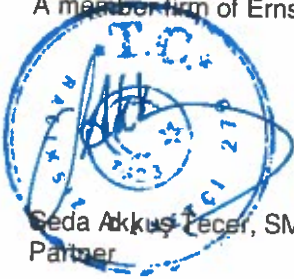
To the Board of Directors of Akmerkez Gayrimenkul Yatırım Ortaklığı Anonim Şirketi;

We have been engaged to perform a review on the compliance of the financial information included in the accompanying interim operating report of Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. (the Company) as of June 31, 2019, with the interim condensed financial statements, which we reviewed. Interim operating report is the responsibility of the Company management. Our responsibility as the auditors is to express a conclusion regarding if the financial information included in the accompanying interim operating report is consistent with the interim condensed financial statements and explanatory notes, which we reviewed as the subject of the review report dated August 8, 2019.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Limited Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by Public Oversight Accounting and Auditing Standards Authority of Turkey. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit performed in accordance with the Turkish Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review on the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention which may cause us to believe that the accompanying interim report is not presented consistent with reviewed interim condensed financial statements and explanatory notes.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



Seda Akkus Tecer, SMMM
Partner

August 8, 2019
İstanbul, Turkey

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ
REPORT OF THE BOARD OF DIRECTORS ON THE ACTIVITIES IN THE PERIOD
OF
01.01.2019 - 30.06.2019

This Activity Report (the "Report") is issued pursuant to the provision of article 516 of the Turkish Commercial Code, the provisions of the 'Regulation on the Establishment of Minimum Content of Annual Reports of Companies' of the Ministry of Customs and Trade, which was published in the Official Gazette no. 28395 of 28.08.2012, and the provision of article 8 of the 'Communiqué on the Principles Applicable to Financial Reporting in Capital Market' (II-14.1), provisions of relevant articles of the 'Corporate Governance Communiqué' (II-17.1) and provisions of article 39 of the 'Communiqué on the Principles Applicable to Real Estate Investment Partnerships' (III-48.1), of the Capital Markets Board. The Report intends to evaluate, and provide information to our investors about, the business activities of Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. (the "Company") during the period of 01.01.2019-30.06.2019.

1. GENERAL INFORMATION

Report Period:	01.01.2019 – 30.06.2019
Trade Name	AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ
Trade Registry Office:	İstanbul
Trade Registration Number:	260139
Stock Exchange where stocks of the Company are traded:	Borsa İstanbul A.Ş.
Market where the Capital Market Instrument is Traded, and Indexes where the Company Takes Place:	Collective Investment Products and Structured Products Market BIST All/ BIST Financial/ BIST Corporate Governance/ BIST Dividend/ BIST All-100/ BIST Real Estate Investment Partnerships
Trading Symbol:	AKMGY
Portfolio Details:	Date of Establishment: 08.12.1989 Date of Public Offering: 15.04.2005
Head Office Address:	Nispetiye Caddesi, Akmerkez, E-3 Blok, Kat: 1, Etiler, Beşiktaş/İstanbul
Website:	www.akmgyo.com
E-mail:	gyo@akmerkez.com.tr
Investor Relations E-mail:	yatirimciiliskileri@akmerkez.com.tr
Registered e-mail address:	akmerkez@akmerkez.hs02.kep.tr
Central Registration System:	7352333284923116
Tax Office:	Büyük Mükellefler Vergi Dairesi
Tax Number:	837 003 1973
Phone Number:	+90 (212) 282 01 70
Fax Number:	+90 (212) 282 01 19

1.1. ORGANIZATION, CAPITAL AND SHAREHOLDING STRUCTURE OF THE COMPANY AND VARIATIONS PERFORMED DURING THE ACCOUNTING PERIOD

The rate of publicly held shares of stock pertaining to Akmerkez GYO A.Ş. is 50.82% as of 30.06.2019.

All shares representing the capital are listed in the İstanbul Stock Exchange (BIST).

The registered capital ceiling of Akmerkez GYO A.Ş. is TRL-75.000.000,00 and the paid-in capital is TRL-37.264.000,00. The paid-in capital of the company is divided into 3.726.400.000 shares at par value of 1 kurush each.

1.1.1. Shareholding Structure

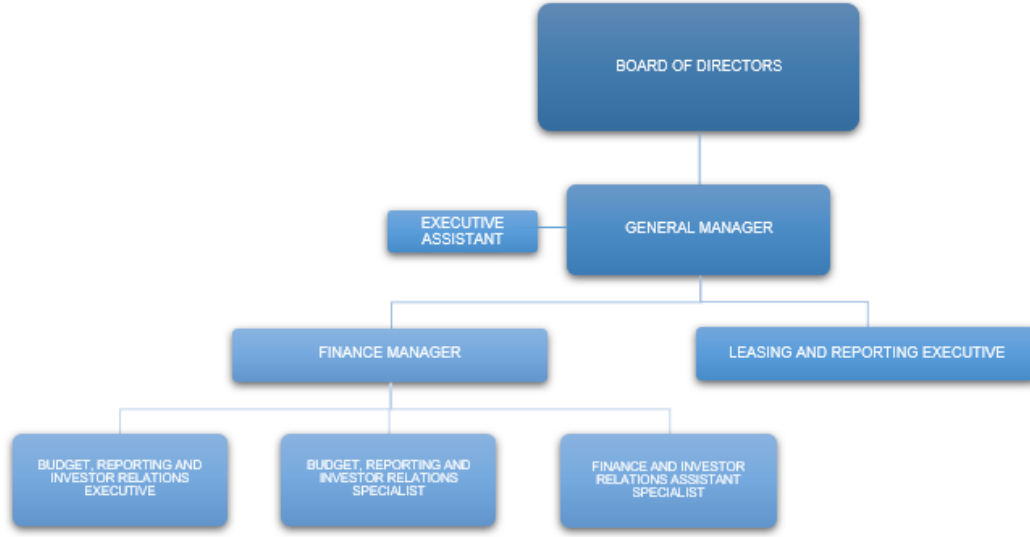
List of the shareholders who hold 5% and more of the capital of the Company as of 30.06.2019 is as follows:

Tradename/Name-Surname of the Shareholder	Nominal Value (TRL)	Capital Share (%)
Klepierre S.A.	11.747.397,12	31,52
Akkök Holding A.Ş.	4.890.900,00	13,12
Tekfen Holding A.Ş.	4.019.839,04	10,79
Corio Nederland Kantoren B.V.	2.932.840,00	7,87
Hoog Catharijne B.V.	2.794.800,00	7,50
Davit Braunştayn	2.601.380,82	6,98
Other	8.276.843,02	22,22
Total	37.264.000,00	100,00

1.1.2. Information about the Shares Representing the Capital

Class	Registered/Bearer	Total Nominal Value (TRL)	Capital Ratio (%)	Trading Status in Stock Exchange
A	Registered	4.075.750,00	10,93	Not Traded
B	Registered	2.841.380,00	7,63	Not Traded
C	Registered	2.398.870,00	6,44	Not Traded
D	Bearer	27.948.000,00	75,00	67,76% Traded
Total		37.264.000,00	100,00	50,82% Traded

1.1.3. Organizational Chart



Any other change has not occurred in the shareholding structure, capital-stock and organizational structure of the Company in the period.

1.2. REMARKS ON THE PRIVILEGED SHARES AND VOTING RIGHTS OF THE SHARES

Class (A), (B), (C) and (D) shares of the Company have privilege to nominate candidates to the Board of Directors. 4 members of the Board of Directors of the Company are elected by the General Assembly Meeting among the candidates nominated by majority of the owners of the Class (A) registered shares, 3 members among the candidates nominated by majority of the owners of the Class (B) registered shares, 2 members among the candidates nominated by majority of the owners of the Class (C) registered shares and 1 member among the candidates nominated by majority of the owners of the Class (D) bearer shares offered to public, who attended the General Assembly Meeting.

If, however, the holders of the Class (D) bearer shares offered to public, who attended the General Assembly Meeting are not able to nominate a candidate and/or agree on a candidate by majority during the General Assembly Meeting, the Board of Directors of the Company is formed by 9 (nine) members elected by the General Assembly Meeting among the candidates 4 of whom were nominated by the majority of the owners of the Class (A) registered shares, 3 by the majority of the owners of the Class (B) registered shares, and 2 by the majority of the Class (C) registered shares.

Apart from the privilege of nominating candidates to the Board of Directors as described above, there is not any other privilege.

Each shareholder is entitled to cast one vote per share.

1.3. INFORMATION ABOUT BOARD OF DIRECTORS, SENIOR OFFICERS AND NUMBER OF EMPLOYEES

1.3.1. BOARD OF DIRECTORS

Chairman	:	RAİF ALİ DİNÇKÖK
Vice-Chairman	:	MURAT GİGİN
Member	:	SİNAN KEMAL UZAN
Member	:	DAVİT BRAUNŞTAYN
Member	:	ALİZE DİNÇKÖK EYÜBOĞLU
Member	:	AHMET CEMAL DÖRDÜNCÜ
Member	:	BENAT ORTEGA
Member	:	F. DİLEK BİL
Member	:	ATİLLA ALTINORDU
Member	:	AYCAN AVCI

The Members of the Board of Directors that were elected at the Ordinary General Assembly Meeting held on 29.03.2019 for an office term of three years are RAİF ALİ DİNÇKÖK, AHMET CEMAL DÖRDÜNCÜ and ALİZE DİNÇKÖK EYÜBOĞLU who were proposed by majority of the Class (A) registered shares; MURAT GİGİN and SİNAN KEMAL UZAN who were proposed by majority of the Class (B) registered shares; DAVİT BRAUNŞTAYN who was proposed by majority of the Class (C) registered shares; AYCAN AVCI, ATİLLA ALTINORDU and FATMA DİLEK BİL who were nominated and proposed to be elected based on the joint proposal of the shareholders of the Classes (A), (B), (C) and (D) within the framework of the principles regarding the independency of the Board members as provided for in the Corporate Governance Principles of the Capital Market Board and BENAT ORTEGA who was nominated by majority of the Class (D) bearer shares subject to public offering and participating in the Ordinary General Assembly Meeting.

F. DİLEK BİL, ATİLLA ALTINORDU and AYCAN AVCI, are independent directors of the Board of Directors, who have been elected pursuant to the provisions of the ‘Corporate Governance Communiqué’ (II-7.1) of the Capital Market Board.

All members of the Board of Directors are eligible according to the requirements set forth in the Communiqué on the Real Estate Investment Partnerships (III-48.1) of the Capital Market Board. Apart of BENAT ORTEGA, a national of France, all members of the Board of Directors are citizens of Turkey.

General Manager of the Company is MURAT KAYMAN.

The Board of Directors made 19 resolutions during the relevant accounting period within 2019.

The Members of the Board of Directors that were worked until the annual meeting held on 29.03.2019 are mentioned below. The mentioned Members of the Board of Directors were elected again at the Ordinary General Assembly Meeting held on 29.03.2019 for an office term of three years except for Lina FİLİBA.

Name-Surname	Title	Starting Date	Ending Date
Raif Ali DİNÇKÖK	Chairman of the Board	30.03.2016	29.03.2019
Murat GİGİN	Deputy Chairman of the Board	30.03.2016	29.03.2019
Sinan Kemal UZAN	Member of the Board	30.03.2016	29.03.2019
Davit BRAUNŞTAYN	Member of the Board	30.03.2016	29.03.2019
Alize DİNÇKÖK EYÜBOĞLU	Member of the Board	30.03.2016	29.03.2019
Ahmet Cemal DÖRDÜNCÜ	Member of the Board	30.03.2016	29.03.2019
Benat ORTEGA	Member of the Board	27.04.2017	29.03.2019
F. Dilek BİL	Independent Member of the Board	06.05.2016	29.03.2019
Atilla ALTINORDU	Independent Member of the Board	30.03.2016	29.03.2019
Lina FİLİBA	Independent Member of the Board	30.03.2016	29.03.2019

1.3.2. POWERS OF DIRECTORS

The resolution of the Board of Directors concerning distribution of tasks dated 17.05.2019 was promulgated in the Turkish Trade Registry Gazette on 31.05.2019 with issue number 9841.

1.3.3. LIMITATIONS OF POWER

The Directors and General Manager of the Company retain the Powers indicated in the Capital Market Law, Turkish Commercial Code, articles of association and the relevant regulations. The duties and powers of the General Manager and Finance Manager of the Company have been determined in the Internal Directives of the Company.

1.3.4. SENIOR OFFICERS

The senior officer of the Company is General Manager MURAT KAYMAN.

1.3.5. NUMBER OF EMPLOYEES

The Company has seven employees including the General Manager.

2. FINANCIAL BENEFITS PROVIDED TO DIRECTORS AND SENIOR OFFICERS

a) Total sum of the financial benefits such as remuneration, salary, premium, bonus, profit share, etc.: Directors received financial benefit of net TRL-5.200,00 per person until the end of March and, net TRL-6.240,00 per person after March monthly, making gross TRL- 422.512,36 in total and the senior officer was paid gross TRL-559.657,98 in total during the accounting period.

b) Information about total sum of allowances, travel, accommodation and representation expenses and cash and non-cash facilities, insurances and similar securities: The sole senior officer in the Company is the General Manager. General Manager was provided with a health insurance amounting to TRL-11.350,00 during the accounting period.

3. RESEARCH AND DEVELOPMENT ACTIVITIES

The Company has not carried out any research and development activities during the accounting period.

4. CORPORATE ACTIVITIES AND IMPORTANT DEVELOPMENTS

The Company performed its activities in line with the Capital Market Regulations during the period from 01.01.2019–30.06.2019.

The Company doesn't have any subsidiary and affiliate.

There isn't any own share acquired by the Company.

There isn't any company with which the Company has reciprocal participation relationship.

There isn't any private audit and public audit conducted during the accounting period.

There isn't any administrative or judicial sanction imposed on the Company and any members of the Board of Directors due to their practices in violation of the laws and regulations.

No extraordinary general assembly meeting was held during the period from 01.01.2019–30.06.2019.

The Company did not incur any expense as donations and social responsibility projects during the period from 01.01.2019–30.06.2019.

In the relevant accounting period, total amount of the expenses were TRL 888,370 that incurred by Üçgen Bakım ve Yönetim Hizmetleri A.Ş. for management services which were posted to the Company in pro rata basis for investment purposes.

5. FINANCIAL STANDING

5.1. BALANCE SHEET

	<i>Reviewed</i> 30 June 2019	<i>Audited</i> 31 December 2018
ASSETS		
Current assets	74,831,631	73,794,035
Cash and cash equivalents	33,564,072	41,333,713
Trade receivables		
<i>Receivables from third parties</i>	25,838,692	7,314,103
Other receivables		
<i>Other receivables from third parties</i>	2,063,812	405,972
Prepaid expenses	9,783,623	2,879,420
Prepaid taxes and funds	1,072,488	545,796
Other current assets	2,508,944	21,315,031
Non-current assets	193,563,092	191,744,404
Investment property	184,965,208	188,292,189
Tangible assets	571,658	688,448
Intangible assets	1,574	3,150
Prepaid expenses	5,716,139	561,082
Other non-current assets	2,308,513	2,199,535
Total assets	268,394,723	265,538,439
LIABILITIES		
Current liabilities	58,238,982	5,081,825
Trade payables		
<i>Due to related parties</i>	3,078,215	884,544
<i>Due to third parties</i>	1,318,284	475,247
Other payables		
<i>Due to related parties</i>	50,306,400	-
<i>Due to third parties</i>	1,479,066	2,171,187
Deferred income	1,361,963	816,313
Provisions		
<i>Other provisions</i>	144,000	144,000
<i>Provisions for unused vacations</i>	323,143	226,547
Other current liabilities	227,911	363,987
Non-current liabilities	1,556,999	1,351,538
Other payables		
<i>Other payables to third parties</i>	663,349	665,281
Long term provisions		
<i>Provisions for employment termination benefits</i>	893,650	686,257
Equity	208,598,742	259,105,076
Share capital	37,264,000	37,264,000
Adjustment to share capital	27,745,263	27,745,263
Other comprehensive income/expense not to be reclassified to profit or loss		
<i>Actuarial gains / (losses) arising from employee benefits</i>	(47,598)	230,617
Restricted reserves	87,986,155	79,117,323
Retained earnings	15,327,521	26,098,217
Net income for the period	40,323,401	88,649,656
Total liabilities and equity	268,394,723	265,538,439

5.2. PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Reviewed 1 January - 30 June 2019	Reviewed 1 April - 30 June 2019	Reviewed 1 January - 30 June 2018	Reviewed 1 April - 30 June 2018
PROFIT AND LOSSES				
Revenue	56,412,786	28,135,276	59,646,810	29,796,264
Cost of sales (-)	(17,597,505)	(9,053,031)	(17,876,856)	(8,025,122)
Gross profit	38,815,281	19,082,245	41,769,954	21,771,142
General administrative expenses (-)	(3,380,502)	(1,527,493)	(3,428,790)	(1,549,488)
Other operating income	2,576,981	1,248,105	1,436,486	91,390
Other operating expenses (-)	(2,479,175)	(1,908,576)	(436,210)	(177,574)
Operating profit	35,532,585	16,894,281	39,341,440	20,135,470
Financial income	5,707,839	2,306,876	3,797,027	2,420,889
Financial expenses (-)	(917,023)	(397,536)	(371,083)	(311,716)
Profit before tax from continuing operations	40,323,401	18,803,621	42,767,384	22,244,643
Tax income / (expenses) from continuing operations	-	-	-	-
Profit for the period from continuing operations	40,323,401	18,803,621	42,767,384	22,244,643
Earnings per share				
Earning per share from continuing operations	1.08	0.50	1.15	0.60
Earning per share from discontinuing operations	-	-	-	-
Diluted earnings per share				
Diluted earnings per share from continuing operations	1.08	0.50	1.15	0.60
Diluted earnings per share from discontinuing operations	-	-	-	-
OTHER COMPREHENSIVE INCOME / (EXPENSE)				
Items not to be classified to profit or loss				
Actuarial gains/ (losses) arising from employee benefits	(278,215)	(170,557)	11,296	(73,862)
Total comprehensive income	40,045,186	18,633,064	42,778,680	22,170,781

5.3. RATIOS

Fundamental ratios for the period between 01.01.2019 and 30.06.2019:

	30.06.2019	31.12.2018
Current Ratio	1.28	14.52
Total Debt / Equity	28.67%	2.48%
Total Debt / Total Assets	22.28%	2.42%

	01.01.2019-30.06.2019	01.01.2018-30.06.2018
Net Sales	56,412,786	59,646,810
Gross Profit	38,815,281	41,769,954
Net Period Profit	40,323,401	42,767,384
Gross Profit Margin	68.81%	70.03%
Net Profit Margin	71.48%	71.70%

The Company has not lost its capital or any situation of debt-choked is not in question.

5.4. FINANCE RESOURCES OF THE COMPANY

Finance resources of the Company generally consists of rental revenues.

6. RISKS AND ASSESSMENT OF BOARD OF DIRECTORS

Early Risk Identification Committee held one meeting for early risk detection purposes and issued two reports during the relevant period.

The increase in exchange rates resulting in the increase in producer and consumer prices as well as interest rates result in a rise of production costs accompanied with a drop in consumption which might have an effect on retailers with negative impacts on the payment power of tenants along with consistency in payments. This, in turn, might constitute a financial risk for the Company. In addition, new shopping mall investments in the vicinity, which have started and/or is expected to start operation, may lead to risks in terms of market share.

Although the above mentioned risks may lead to a certain fall in the income generating capacity and profitability, no risk is expected regarding the debt-equity ratio of the Company.

The Company has conducted a risk inventory activity for the anticipated risks and it is updated periodically.

7. MISCELLANEOUS

7.1. DEVELOPMENTS REGARDING CORPORATE POLICIES

7.1.1. DIVIDEND DISTRIBUTION POLICY

Our Company's updated Profit Distribution Policy was adopted by the majority of votes at the Ordinary General Assembly for the year 2018 held on 29.03.2019.

AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ has adopted a Dividend Distribution Policy pursuant to the Turkish Commercial Code, Capital Market Board ("CMB") Corporate Governance Communiqué, Dividend Communiqué no. II-19.1 and other relevant capital market regulations, tax regulations and provisions of the other applicable regulations as well as article 30 of the Articles of Association regarding dividend distribution.

Article 30, titled 'DISTRIBUTION OF THE PROFIT', of the Articles of Association of the Company is as follows:

"Regarding the distribution of the profit, the Company complies with the regulations set out in the Turkish Commercial Code and the Capital Market Legislation.

Such amounts as overheads and miscellaneous depreciation costs which the Company is obliged to pay and set aside pursuant to the general accounting principles and such reserves which the Company is obliged to set aside for payment of taxes and other fiscal obligations payable by the Company as a legal entity are deducted from the incomes ascertained at the end of the accounting year. From the remaining amount, which is stated in the annual balance sheet as the net profit, any losses in previous years are deducted. From the remaining net profit:

General Statutory Reserve

a) 5% is set aside as general statutory reserve until it reaches 20% of the paid-in capital pursuant to the article 519 of the Turkish Commercial Code.

Primary Dividend

b) From the amount found by adding the amount of any donations made during the respective accounting year to the remaining amount, the primary dividend in the amount determined by the General Assembly Meeting in accordance with the profit distribution policy of the Company, provided that it is not less than the rate and amount as determined by the Capital Markets Board, is set aside.

c) From the remaining amount, an amount up to 5% of it can be set aside for distribution to the members of the Board of Directors.

Secondary Dividend

d) Minimum 80% of the amount remaining after deduction of the amounts set forth in the paragraphs (a), (b) and (c) above from the net profit is distributed as the secondary dividend.

e) If any amount remains after deduction of the amounts set forth in the paragraphs (a), (b), (c) and (d) from the net profit, the General Assembly Meeting is authorized to distribute that amount in part or whole as secondary dividend or to leave it in the balance sheet as the end-of-period profit, to add it to the statutory or the facultative reserve or to set aside it as the extraordinary reserve.

f) Any amounts occurred pursuant to the second paragraph of the article 519 of the Turkish Commercial Code are added to the general statutory reserve.

g) Unless the reserves which must be set aside pursuant to the law have been set aside and the dividend specified in the articles of association for payment to the shareholders has been set aside, no profit may be carried forward to the next year and no profit share may be paid to members of the Board of Directors and the employees of the Company and no profit share may be paid to these persons unless the determined dividend has been paid to the shareholders.

Advance dividend can be paid to the shareholders in accordance with the regulations of the Capital Markets Board.”

There is no privilege applicable for dividends pursuant to the Articles of Association.

The dividend set aside for distribution to the shareholders shall be distributed equally to all of the existing shares as of the distribution date in pro rata basis without having regard to the issue and acquisition dates of the relevant shares.

Dividend distribution may be fulfilled in cash or bonus shares or else partially in cash and partially in bonus shares.

Dividend distribution date shall be determined by the General Assembly based on the proposal of the Board of Directors provided that it shall not contradict with the capital market regulations and the dividend distribution processes shall be initiated as of the end of the accounting period when the general assembly meeting is held at the latest.

In the event that the general assembly makes a resolution for dividend distribution, it shall be possible to require distribution of dividends within a certain date range or until as late as the end of the year in that the general assembly shall authorize the board of directors to ascertain the dividend distribution date. In that respect, the date of cash distribution of dividends shall be ascertained through a board resolution to be adopted minimum fifteen days in advance and the investors shall be duly informed of the dividend distribution date by means of a special condition disclosure to be published on the Public Disclosure Platform.

Dividends might be distributed in instalments of equal or varying sums so long as such distribution is resolved in the relevant general assembly meeting. The number of instalments shall be determined by the general assembly or the board of directors if explicitly authorized by the general assembly.

According to the Articles of Association, the board of directors may distribute advance for dividends to the shareholder in line with the capital market regulations provided that the board of directors should be authorized to make such distribution by the general assembly and comply with the relevant capital market regulations.

a. It shall be possible to distribute dividend advance in cash based on the profit indicated in the interim financial statements. Dividend advance for a certain interim period shall not be distributed in instalments.

b. If the board of directors is empowered to distribute dividend advance by the general assembly, the board of directors shall adopt a resolution as to whether or not to distribute dividend advance and disclose this resolution to the public based on the Board regulations regarding disclosure of special conditions to the public as of the date of public disclosure of interim financial statements at the latest.

c. Dividend advance shall be distributed equally to all of the existing shares as of the distribution date in pro rata basis without having regard to the issue and acquisition dates of

the relevant shares. Dividend advance may not be distributed to anyone other than the shareholders. Dividend advance shall be paid without regard to the privileges of the privileged shares.

If the dividend distribution policy is intended to be amended, the board resolution adopted for the amendment and the justification thereof shall be disclosed to the public pursuant to the Board regulations regarding disclosure of special conditions to the public.

7.1.2.DIVIDEND PAYMENT

The General Assembly made a resolution to carry our dividend payment processes in the following manner through the majority of votes during the meeting held on 29.03.2019 and disclosed on the Public Disclosure Platform. The first instalment has been paid on 24 April 2019, the second instalment will be paid until 24 September 2019 and the third instalment will be paid until 17 December 2019.

	Cash Dividend Payable per Share with a Nominal Value of 1 TRL - Gross=Net (TRL)	Cash Dividend Distribution Date
1. Instalment	1,08	24.04.2019
2. Instalment	0,85	Until 24.09.2019
3. Instalment	0,50	Until 17.12.2019
Total Cash Dividend	2,43	

7.2. NUMBER, STRUCTURE AND INDEPENDENCE OF COMMITTEES FORMED UNDER THE BOARD OF DIRECTORS

The Board of Directors revised the structure and activities of existing committees pursuant to the provisions of the Corporate Governance Communiqué issued by the Capital Market Board according to which it formed Audit Committee, Corporate Governance Committee and Early Risk Identification Committee. The duties and responsibilities of the Nomination Committee and Remuneration Committee provided in the Corporate Governance Communiqué are fulfilled by the Corporate Governance Committee.

Audit Committee

Name Surname	Title	Position
Atila ALTINORDU	President	Independent Director
F. Dilek BİL	Member	Independent Director
Aycan AVCI	Member	Independent Director

Early Risk Identification Committee

Name Surname	Title	Position
F. Dilek BİL	President	Independent Director
Aycan AVCI	Member	Independent Director
Alize Dinçkök EYÜBOĞLU	Member	Director
Sinan Kemal UZAN	Member	Director

Corporate Governance Committee

Name Surname	Title	Position
Aycan AVCI	President	Independent Director
F. Dilek BİL	Member	Independent Director
Atilla ALTINORDU	Member	Independent Director
Ayşegül CANBAZ	Member	Finance Manager
Hilal KAYALAR	Member	Budget, Reporting and Investor Relations Executive

Aycan AVCI has been elected as the Chairman of the Corporate Governance Committee, as a member of the Audit Committee and the Early Detection of Risk Committee as of 26.04.2019. Davit BRAUNŞTAYN has served as a member of the Corporate Governance Committee until 29.03.2019. Atilla ALTINORDU has served as the Head of Corporate Governance Committee until 29.03.2019 and he has been a member of the Corporate Governance Committee since 26.04.2019.

The duties, working principles and members of the committees were determined by the Board of Directors and disclosed to the public via Public Disclosure Platform and corporate website of the Company.

7.3. APPOINTMENT OF INDEPENDENT AUDITOR

Pursuant to Turkish Commercial Code and Communiqué of Capital Market Board on Independent Audit Standards at the Capital Market as amended through the Communiqué with Serial X, No. 28, and as per the resolution of the Board of Directors on the subject matter, it was resolved by majority of votes at the Ordinary General Assembly Meeting held on 29.03.2019 that Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi, which was recommended by the Audit Committee, be elected as the independent audit firm to audit the financial statements and reports of the Company for the year 2019.

7.4. REAL ESTATE VALUATION REPORT SUMMARY

Ter Ra Gayrimenkul Değerleme ve Danışmanlık A.Ş. conducted a real estate valuation study, the summary of which is provided below:

Market valuation appraisal as of 07.08.2019 (Excluding 18% VAT): TRL-1.406.230.000.

7.5. CURRENT STATUS, COMPLETION RATE AND DURATION OF THE PROJECTS, REALIZATION POTENTIAL OF THE PREDICTIONS, PROBLEMS, ETC.

The Company did not undertake any project in the period of 01.01.2019-30.06.2019.

7.6. DETAILED INFORMATION ABOUT LEASES OF PORTFOLIO ASSETS

The portfolio of the Company is comprised of Akmerkez shopping mall, trade center and residence complex. The complex has a total of 600 independent units, 473 of which are owned by Akmerkez GYO comprised of 445 units in the shopping mall and 27 units in the residential section in addition to 1 office.

7.7. RISK MANAGEMENT AND INTERNAL CONTROL MECHANISM

The Board of Directors reviews the efficiency of the risk management and internal control systems at least once a year.

The Board of Directors establishes the internal control systems to include the risk management and information systems and processes which can minimize the impacts of the risks which may affect the stakeholders of the Company, primarily the shareholders, by taking into account the views of the relevant committees of the Board of Directors.

The existing internal control system intended for various purposes including increasing efficiency and productivity in corporate activities, ensuring reliability of financial reporting and compliance with the laws and regulations was audited by Ginini Danışmanlık Hizmetleri Anonim Şirketi based on the annual internal audit plan created and the consultancy agreement and the results of the audit were reported to the Audit Committee.

7.8. DEVELOPMENTS IN THE INVESTMENTS, INCENTIVES AND THEIR BENEFICIAL OUTCOMES, IF APPLICABLE

The Company does not have any investment other than the existing real estate.

7.9. FINANCIAL SOURCES OF THE COMPANY, AND NATURE AND AMOUNT OF ANY CAPITAL MARKET INSTRUMENTS ISSUED BY THE COMPANY, IF ANY

Financial sources of the Company consist of rental income. The Company has not issued any securities.

7.10. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Articles of Association was not amended during the period.

7.11. REAL ESTATE APPRAISAL COMPANY

The Board of Directors made a resolution according to which Ter Ra Gayrimenkul Değerleme ve Danışmanlık A.Ş. was assigned as the appraisal company to provide appraisal services for each asset included in the portfolio of the Company requiring appraisal as well as the assets which might be acquired by the Company in 2019 in a manner that would require appraisal pursuant to paragraph 2 of the Article 35 of the Communiqué Regarding Principles for Real Estate Investment Trusts (III-48.1) issued by the Capital Market Board.

7.12. CORPORATE GOVERNANCE PRINCIPLES HARMONIZATION RATING

Our Company executed a Corporate Governance Principles Harmonization Rating Agreement dated 10.03.2016 to be valid for three rating periods with Saha Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. which is licensed to perform rating services in line with the Corporate Governance Principles issued by the Capital Market Board in Turkey. The agreement was renewed on 11.03.2019 to be valid for three more rating periods.

Our first rating for Compliance with Corporate Governance Principles was announced in 2016 (9,22) while the periodical revision rating for 2017 was (9,37). In 2018, this rating (9,37) was confirmed again. The rating report and periodical revision reports were disclosed to the investors by means of the Special Condition Disclosure on 06.12.2016, 06.12.2017 and 06.12.2018 respectively.

7.13. THE BUSINESS SEGMENT AND THE POSITION OF THE ENTERPRISE WITHIN THE INDUSTRY:

Shopping Mall Index conducted by Association of Shopping Centers & Investors and Akademetre Research & Strategic Planning reveals that the turnover index increased by 23.1 percent in May 2019 when compared to May of the previous year, reaching 303 points.

Turnovers per leasable space (m2) in shopping malls were recorded as TL 1,157 in May 2019. Productivity was TL 1,383 in İstanbul and TL 1,006 in Anatolia.

The category where the highest increase of the shopping mall index was observed was the clothing category with 31.3% increase. An increase of 30.9 percent in the shoes category turnovers, an increase of 22.7 percent in hypermarket category turnovers, an increase of 15 percent in the technology category turnovers, an increase of 14.6 percent in the food and beverages category turnovers, and an increase of 14.1 percent in the other areas¹ category turnovers were observed in the Shopping Centers in May 2019 when compared to the same month of the previous year.

The footfall index has a decrease of 1.1 percent in May 2019 when compared to the same month of the previous year.

1 The other areas category consists of such stores as construction market, furniture, home textile, souvenir, toy, cinema, personal care and cosmetics, jewelry, hobby, pet shop, tailor and shoe repair services, exchange office, dry cleaning, pharmacy, etc.

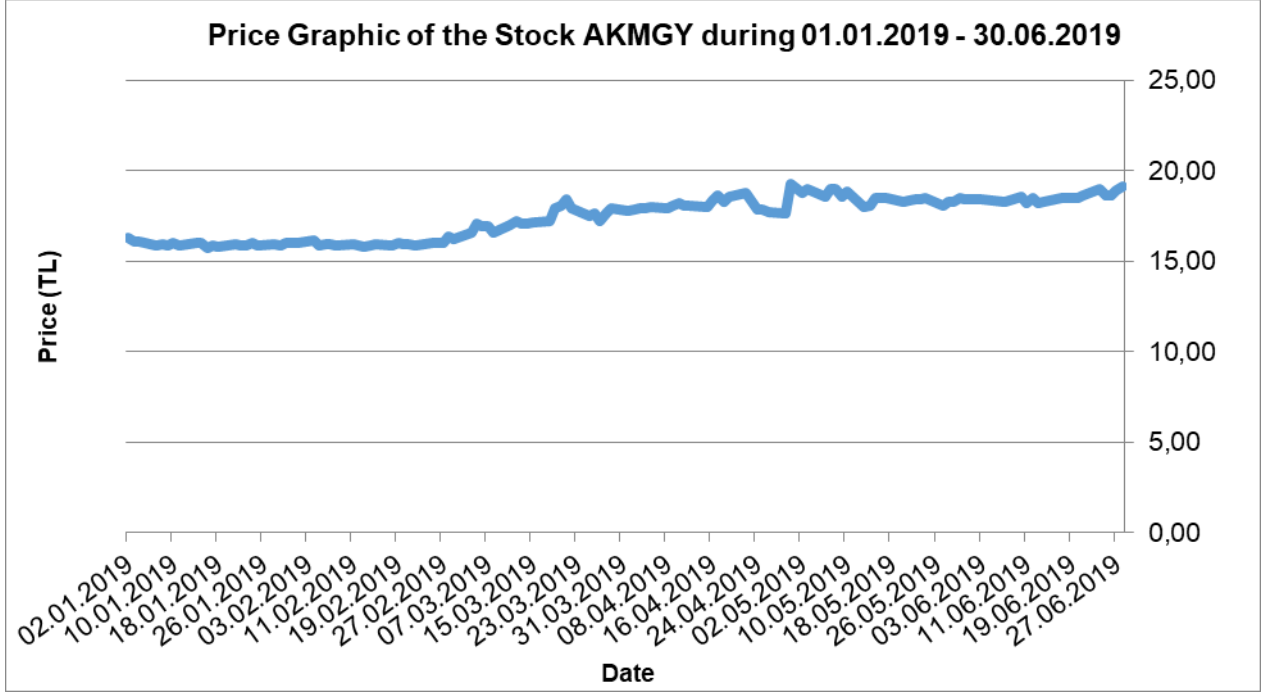
7.14. PENDING LITIGATIONS

LITIGATIONS FILED AGAINST AKMERKEZ GYO A.Ş.

No.	Court	Case No	Plaintiff	Defendant	Claim	Current Status
1	İSTANBUL CIVIL COURT OF PEACE NO. 2	2009/742 New Case No: 2011/124	BERKAY İNCE - INTERVO (B3 Tower Office Floor 1)	1- AKMERKEZ GYO A.Ş. 2- ÜÇGEN BAKIM	ACTION FOR DAMAGES Claim: 100.000 TL	The lawsuit was denied on procedural grounds in favor of the Company. The lawsuit was appealed by the Plaintiff and the file is pending before the Supreme Court of Appeals.
2	İSTANBUL CONSUMER COURT NO. 1	2007/753 New Case No: 2018/515	MEHMET BOZKURT	AKMERKEZ GYO A.Ş.	ACTION FOR DAMAGES Claim: 41.000 TL (Theft in Carpark)	The lawsuit was denied in favor of the Company. The lawsuit was appealed by the Plaintiff upon which the Supreme Court reversed the judgment of the local court. The order for partial acceptance of the case against the company was reversed by the Supreme Court of Appeals, this time for the benefit of the Company. The case is pending before the Consumer Court.
3	İSTANBUL COMMERCIAL COURT OF FIRST INSTANCE NO. 6	2014/1077	ÖMER DİNÇKÖK	AKMERKEZ GYO A.Ş.	ACTION FOR CANCELLATION OF THE RESOLUTIONS PASSED IN THE AGENDA ITEMS NO 2, 5, 7, 10, 11 AT THE ORDINARY GENERAL ASSEMBLY MEETING HELD FOR THE YEAR 2013	The action was concluded in favor of the Company. Following the appeal of the plaintiff, the order was ratified for the benefit of the Company by the Supreme Court of Appeals. Thereupon, the plaintiff took action asking for correction of the decision which is currently under review.
4	İSTANBUL COMMERCIAL COURT OF FIRST INSTANCE NO. 18	2015/665	ÖMER DİNÇKÖK	AKMERKEZ GYO A.Ş.	ACTION FOR CANCELLATION OF THE RESOLUTIONS PASSED IN THE AGENDA ITEMS NO 2,3,4,9 AT THE ORDINARY GENERAL ASSEMBLY MEETING HELD FOR THE YEAR 2014	The case has been rejected in the first instance court. The plaintiff appealed to the court and the Company's answers to the appeal were submitted to the court.
5	İSTANBUL COMMERCIAL COURT OF FIRST INSTANCE NO. 3	2015/673	ÖMER DİNÇKÖK	AKMERKEZ GYO A.Ş.	ACTION FOR APPOINTMENT OF A SPECIAL AUDITOR	The action was concluded in favor of the Company and the appeal claim of the Plaintiff was denied by the Supreme Court. Plaintiff applied to correct against the decision of the Supreme Court. The Company responded to the decision correction application.
6	İSTANBUL CONSUMER COURT NO. 8	2015/1946	ULVIYE ARKUN	1- AKMERKEZ GYO A.Ş. 2- S.O.S INTERNATIONAL AMBULANS SERVİSİ	ACTION FOR DAMAGES Total Claim: 6.000 TL	The court made a judgment for partial acceptance and partial denial of the case and ordered for payment of TRY-3.000 to the plaintiff. The justified decision was duly notified. The file is currently under appellate review.
7	İSTANBUL COMMERCIAL COURT OF FIRST INSTANCE NO. 7	2016/720	ÖMER DİNÇKÖK	AKMERKEZ GYO A.Ş.	ACTION FOR CANCELLATION OF THE RESOLUTIONS PASSED IN THE AGENDA ITEMS NO 5, 11 AT THE ORDINARY GENERAL ASSEMBLY MEETING HELD FOR THE YEAR 2015	The action was concluded in favor of the Company. The plaintiff appealed against the order before the higher court. The file is currently under appellate review.
8	İSTANBUL COMMERCIAL COURT OF FIRST INSTANCE NO. 4	2016/725	ÖMER DİNÇKÖK	AKMERKEZ GYO A.Ş.	ACTION FOR APPOINTMENT OF A SPECIAL AUDITOR	The action was concluded in favor of the Company. Since the appeal of the plaintiff was rejected on grounds that the order was finalized, the plaintiff took the case to the Supreme Court of Appeals. The file is currently under appellate review.

7.15. OTHER MATTERS

7.15.1. Price Graphic of the Stock AKMGY



7.15.2. Information about the control of portfolio limitations which is set out in second paragraph of article 38 of the Communiqué on the Principles Applicable to Real Estate Investment Partnerships is provided in the 22th note to the financial statement.

7.15.3. Information regarding related party transactions and their account balances which is required to be disclosed to the shareholders pursuant to the legislation is provided in the 19th note to the financial statement.

Sincerely yours,

BOARD OF DIRECTORS