1. Organization and Principal Activities

The name of Aletim Alarko Elektrik Tesisat ve İnşaat Malzemeleri Anonim Şirketi founded on 6 June 1978 whose main activity was to undertake the production and trading of all types of electrical, electronic, construction, and sanitary installation materials was changed into Alarko Gayrimenkul Yatırım Ortaklığı Anonim Şirketi (the Company) through the publishment of Turkish Trade Register Gazette dated 6 August 1996 nr 4096. On 31 October 1996, the Company applied to the Capital Markets Board for the registration of share certificates to be issued due to share capital increase and has been registered by the Board through the certificate dated 13 December 1996 Nr GYO 1/1552 in line with the Capital Markets Law.

The Company operates as a real estate partnership in accordance with the statements and regulations of the Capital Markets Board. In this context, the Company invests in real estates, real estate projects, and capital market instruments. Accordingly, the Company applies the regulations and legislation of the Capital Markets Board for principal activities, investment porffolio policies and restrictions of management.

As of 31 December 2011 and 31 December 2010, the shareholding structure of the Company is as follows:

	31 December 2011		31 December 2010	
Shareholder	Shareholding(%)	Book Value (TL)	Shareholding(%)	Book Value (TL)
Alarko Holding A.Ş.	16,42	1.748.258	15,94	1.697.899
Alsim Alarko Sanayi Tesisleri ve Tic. A.Ş.	34,78	3.704.641	34,78	3.704.641
Public offering	48,77	5.194.442	49,00	5.218.889
Other (*)	0,03	3.453	0,28	29.365
Total	100,00	10.650.794	100,00	10.650.794

* Represents total of shareholdings less than 10%.

As of 31 December 2011 and 31 December 2010, the difference arising from restatement of the nominal value of the share capital amounts to TL 54.712.578 (Note 14 (b)).

The address of the Company's Head Office is as follows:
Muallim Naci Caddesi, No:69 P.K. 34347 Ortaköy – Beşiktaş/ İstanbul

The majority shares of the Company belong to Alsim Alarko Sanayi Tesisleri ve Ticaret A.Ş. and 49,00% of the Company shares is traded at the Istanbul Stock Exchange since 1996.

As of 31 December 2011 and 31 December 2010, the average number of personnel for the year is 7 and 7, respectively.

2. Presentation of the Financial Statements

i. Basis of Presentation:

The Company maintains its books of account and prepares its statutory financial statements in accordance with the prevailing commercial and financial legislation. The accompanying financial statements are prepared in accordance with the Capital Markets Board (CMB) Communiqué Nr. XI/29 “Communiqué Related to the Financial Reporting Principles at the Capital Markets”. This Communiqué has come into force starting with the first interim financial statements subsequent to 1 January 2008 and bears in its Article 5 the provision stating that the enterprises subject to CMB apply the International Accounting / Financial Reporting Standards as accepted by the European Union (EU) which is compliant with the Turkish Accounting / Financial Reporting Standards (TAS/TFRS), issued by the Turkish Accounting Standards Board (TASB). Furthermore, in the provisional Article 2 of the same Communiqué it is stated that the IAS/IFRS are to be applied until the differences between the IAS/IFRS accepted by the European Union and those issued by the International Accounting Standards Board (IASB) are published by the TASB and as a consequence of this, it is promulgated that TAS/TFRS which are in full compliance with IFRS will be the basis of all financial statements.

However, the Turkish Accounting Standards Board (“TASB”) has not issued to date the differences between the IAS/IFRS that are accepted by the EU and the actual IAS/IFRS issued by the International Accounting Standards Board (“IASB”); and therefore the accompanying financial statements are prepared in accordance with the IAS/IFRS which are in full compliance with the TAS/TFRS issued by the TASB. As required by the TFRS, comparative financial statements are prepared on the same basis. As stated below, certain adjustments and classifications have been made during the preparation of the accompanying financial statements in order to comply with the TAS/TFRS.

The accompanying financial statements and notes are presented in accordance with the mandatory formats and principles announced by CMB in its Weekly Bulletin dated 14-18 April 2008 Nr. 2008/16. In order to comply with the amendments to TAS 1 which are valid for the financial periods starting at or subsequent to 1 January 2009, the balance sheet has been presented under the name of “the Statement of Financial Position” and the profit/loss sections have been presented in a single statement of comprehensive income.

The functional currency used by the Company is Turkish Lira (TL) and the accompanying financial statements and related notes are presented in TL.

The Company’s financial statements prepared as of 31 December 2011 in accordance with the Communiqué Nr. XI/29 have been approved by the Company Management on 15 March 2012 to be submitted to the Board of Directors.

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.

2. Presentation of the Financial Statements (continued)

ii. Adjustment of Financial Statements During Hyper-Inflationary Periods:

TAS 29 deals with the effects of inflation on financial statements and requires that financial statements prepared in the currency of a high inflation economy be stated in terms of the measuring unit current at the reporting date and that corresponding figures for previous periods be restated in the same terms. As per the resolution of the CMB dated 17 March 2005 Nr 11/367 the application of inflation adjustment of the financial statements has ended in 2005, hence the financial statements are restated at the purchasing value of the Turkish Lira as at 31 December 2004. The additions to non-monetary items subsequent to 1 January 2005 are stated at their nominal values.

iii. Adjustments:

The accompanying financial statements are prepared in accordance with the Turkish Accounting/Financial Reporting Standards (TAS/TFRS) with the below mentioned adjustments which are not stated in the statutory records:

- Provision for doubtful receivables
- Inventory provision
- Calculation of rediscount on customers
- Depreciation adjustment in relation to the useful lives of tangible assets
- Termination indemnity adjustment as per TAS 19
- Valuation of financial assets quoted at the stock exchange by market value

iv. Comparative Information and Adjustment of Prior Period Financial Statements:

The statements of financial position as of 31 December 2011 and 31 December 2010 and the related notes as well as the statements of comprehensive income, the statements of changes in equity, and cash flows, and the notes to these financial statements for the years then ended are presented comparatively. In order to comply with the presentation of the current period financial statements, the comparative information is reclassified when deemed necessary.

v. Offsetting:

Offsetting financial assets and liabilities can only be made under the conditions where the offsetting transaction is legally allowed and the company has an intention in this respect or where the acquisition of assets and fulfillment of liabilities are realized simultaneously.

vi. Changes and Errors in Accounting Policies and Accounting Estimates:

The Company has applied its accounting policies consistent with the prior year. Significant changes in the accounting policies and significant accounting errors are applied retroactively and the prior period financials are re-adjusted. In the event that the changes in the accounting estimates are related to one period only, they are applied only to the period in which the change has been made; however, if they are related to the future periods, they are applied both to the period in which the change has been made and the future periods.

2. Presentation of the Financial Statements (continued)

vii. The New and Revised Turkish Accounting / Financial Reporting Standards:

During the current period, TASB has issued the new and revised standards with effect from 1 January 2011, and the Company has applied those that relate to its own field of activity.

Standards valid as of 31 December 2011 and the amendments and comments brought to the prior standards are as follows:

- TAS 24 (Amendment) - “Related Party Disclosures”
- TFRS 1 – “First Time Adoption of the Turkish Financial Reporting Standards”
- TFRS 9 – “Classification and Measurement of Financial Assets”
- TFRS Comment 14 (Amendment) – “Prepayments of a Minimum Funding Requirement”
- TFRS Comment 19 – “Extinguishing Financial Liabilities With Equity Instruments”
- TAS 12 (Amendment) – “Income Taxes”
- TFRS 7 (Amendment) - “Financial Instruments”
- TFRS Comment 13 - “Customer Loyalty Programmes”
- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 –Disclosure of Interests in Other Entities
- IAS 27 (Amendment) - Separate Financial Statements
- IAS 28 (Amendment) – Investments in Associates and Joint Ventures
- IFRS 13 – Fair Value Measurement
- IAS 19 (Amendment) – Employee Benefits

viii. Summary of Significant Accounting Policies and Valuation Methods:

(a) Financial Instruments :

Financial instruments consist of the financial assets and liabilities stated below.

i. Cash and Cash Equivalents

Cash and cash equivalents consist of cash, banks, deposits in other financial institutions, other money market placements, and short term repurchase 3 months or less.

Bank accounts consist of demand and time deposit accounts and the related interest accrued. Turkish Lira deposit accounts are stated at face values and foreign currency accounts are translated into Turkish Lira at the foreign currency buying rate issued by the Central Bank as at the reporting date.

Cash and cash equivalents are stated at their acquisition costs plus accrued interests.

2. Presentation of the Financial Statements (continued)

viii. Summary of Significant Accounting Policies and Valuation Methods (continued):

(a) Financial Instruments (continued):

i. Cash and Cash Equivalents (continued)

Fair Value

As the foreign currency cash and cash equivalents are translated into Turkish Lira at the foreign exchange rates valid at the reporting date, it is assumed that the fair values of these assets approximate to their book values.

As the deposit accounts and cash are converted into cash in very short terms, and as there is no risk of value decrease, their book values are deemed to approximate to their fair values.

ii. Financial Assets Held to Maturity

Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturity that an enterprise has the positive intent and ability to hold to maturity. Held-to-maturity investments are recognized at the acquisition cost amortised according to the effective interest method less impairment value and the related income is calculated using the effective interest method.

iii. Financial Assets Available for Sale

Financial assets available for sale are financial assets not classified either as held to maturity or held for trading.

Any gains or losses arising from changes in the fair value of financial assets available for sale, except those related to impairment and foreign exchange differences accounted for in the income statement, are recognized directly in the owner's equity until the said financial assets are derecognised. During the process of derecognition, the earnings and losses previously recognized under equity are transferred to the statement of income.

iv. Trade Receivables

Trade receivables are financial assets created by the Company through selling goods and services directly to the customers. Trade receivables are subject to rediscount. Provisions for doubtful trade receivables are made by the Company management taking into consideration the amount of the overdue receivables, guarantees received, past experiences and current economic outlook.

Fair Value

Discounted trade receivables for which provisions for doubtful receivables are accrued are assumed to approximate to the fair values of these assets.

2. Presentation of the Financial Statements (continued)

viii. Summary of Significant Accounting Policies and Valuation Methods (continued):

(a) Financial Instruments (continued) :

v. Trade Payables

Trade payables are financial assets created by the Company through buying goods and services directly to the suppliers. Trade payables are stated at their discounted values.

Fair Value

Discounted cost values of trade payables are assumed to approximate to the fair values of these assets.

vi. Impairment of Financial Assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired. In the event that there is such objective evidence, the Company determines the related impairment.

A financial asset or portfolio of financial assets is impaired and an impairment loss incurred if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset.

(b) 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 venturer. 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.

Within the scope of this report, the Company shareholders, Alarko Holding A.Ş. and Alarko Holding Group Companies, their executive staff, and other companies under control of these companies are defined as related parties.

(c) Inventories :

Inventories are valued at their restated acquisition cost; however, the expertise values creating basis for the fair values of unsold inventories and the contract totals of inventories of which sales contracts are signed during the current period are compared with the restated acquisition costs, and if the expertise value and the contract total are lower than the restated acquisition cost, provision is made for impairment within the frame of conditions stated in the "Impairment of Assets" section. Impairment loss is determined for all inventories separately.

2. Presentation of the Financial Statements (continued)

viii. Summary of Significant Accounting Policies and Valuation Methods (continued):

(d) Investment Properties :

Investment properties are properties held to earn rentals or for capital appreciation or both, recognized at the restated acquistion cost less accumulated depreciation and impairment losses, if any.

The expertise values creating basis for the fair values of investment properties are compared with the restated acquisition costs, and if the expertise value is lower than the restated acquisition cost, provision is made for impairment within the frame of conditions stated in the “Impairment of Assets” section. Impairment loss is determined for all investment properties separately.

Deprecaition is calculated on pro rata basis as per the straight line method taking into consideration the useful lives of the investment properties. The depreciation rates determined and applied for investment properties are stated below:

Buildings	2 – 5%
Rights	3,125%

The rights represent the superficies owned by the Company at the Hillside Beach Club.

(e) Tangible Assets :

Tangible assets are stated at cost less their accumulated depreciation and impairment loss, if any. Tangible assets have been restated using the measuring unit current at 31 December 2004 from the dates of acquisition. Additions made subsequent to 1 January 2005 are stated at their nominal values. Tangible assets are depreciated over their inflation-adjusted values by straight-line method and the nominal values of additions subsequent to 1 January 2005 as per their useful lives stated below:

Buildings	10%
Land improvements	12,5%
Machinery, plant, and equipment	25%
Furnitures and fixtures	10 - 33,33%
Other tangible assets	25%

2. Presentation of the Financial Statements (continued)

viii. Summary of Significant Accounting Policies and Valuation Methods (continued):

(e) Tangible Assets (continued) :

Repair and maintenance expenses are expensed when realized. In case the repair and maintenance expenses provide an increase or an observable development in tangible assets, they are capitalized.

In case the book value of a tangible asset is higher than the recoverable value, the book value is decreased to the recovarable amount.

The profit or loss arising from the sale of a tangible asset is determined by comparing the restated amount of the assets sold and the amount collected and reflected to the income or loss for the current period.

(f) Intangible Assets :

Intangible assets are stated at cost less their accumulated amortisation and impairment loss, if any. The acquisition values of intangible assets are considered in the restatement of intangible assets as at 31 December 2004. Additions made subsequent to 1 January 2005 are stated at their nominal values. Intangible assets are amortized over their inflation-adjusted values and the nominal values of additions subsequent to 1 January 2005 over the rates stated below :

Leasehold improvements	25%
Rights	6,66% - 33,33%

(g) Assets and Liabilities in Foreign Currency:

Foreign currency assets and liabilities recognized in the statement of financial position are translated into Turkish Lira at the foreign exchange rates announced by the Turkish Central Bank at the reporting dates. Transactions in foreign currencies during the period are translated into Turkish Lira at the actual rates applicable on the transaction date. Exchange gains and losses resulting from such translations are included in the statements of comprehensive income.

(h) Impairment of Assets:

In case the book value of an asset exceeds its recoverable value, a provision for impairment loss is made so as to bring the book value of the asset down to the level of its fair value and the provision is recorded in the statement of comprehensive income as expense.

On the other hand, the recoverable value of cash generating assets is the higher of the value computed by subtracting the sales value of the asset from its fair value compared to the value in use of the asset. The value in use of the said assets is the present value of the cash flows expected to be obtained from the assets. For the calculation of the value in use, the future cash flow estimates are discounted to their present value by using the time value of money and the discount rate before tax which reflects risks attributable to the asset.

2. Presentation of the Financial Statements (continued)

viii. Summary of Significant Accounting Policies and Valuation Methods (continued):

(i) Deferred Taxes :

Deferred taxes are calculated on the temporary differences that arise between the deductible tax base and the book values of assets and liabilities, by using the liability method. The main temporary differences arise from the income and expense items recognised in different periods with respect to the TAS/TFRS and the tax legislation. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated with the assumption that the Company will have taxable income during the future periods.

An enterprise should offset current tax assets and current tax liabilities if the enterprise has a legally enforceable right to set off the recognised amounts, provided that the tax assets and tax liabilities are subject to the tax legislation of the same jurisdiction.

(j) Income Taxes:

Under the Turkish Tax Code, a company that has its head office or place of business in Turkey is subject to a corporate tax.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

Corporate earnings are subject to corporation tax at a rate of 20%. Whether exempted or not, dividends paid in cash to real persons with full liability and real persons and entities with limited liability (non-residents) are subject to income tax withholding at a rate of 15%. However, income tax withholding is not applicable to the dividends arising from 1998 and prior years' profits and from the exempt profits relating to the years 1999, 2000, 2001 and 2002 as well as income and profits corresponding to the above mentioned investment allowance taxed at the rate of 19,8%. Addition of current year and prior year profits (retained earnings) to share capital has not been regarded as distribution of profits and therefore no withholding tax is applicable to these earnings. On the other hand, no withholding tax is applicable to entities with full liability in profit distributions.

Further, provisional corporation tax is paid at a rate of 20% on the profits declared for interim periods to be deducted from the corporation tax.

With respect to the article 298 (bis) of the Tax Law amended by Law 5024, the financial statements of the tax payers whose earnings are determined on balance sheet basis are not subject to inflation adjustment because the inflation adjustment application which started in 2004 has ended as the increase in the Producers Price Index for the last 36 months and the last 12 months are below 100% and 10%, respectively at March 2005. In the 2011 and 2010 accounting periods, the criteria of 100% and 10% have not been realized simultaneously in the Producers Price Index and for that reason no inflation adjustment has been applied.

2. Presentation of the Financial Statements (continued)

viii. Summary of Significant Accounting Policies and Valuation Methods (continued):

(j) Income Taxes (continued):

The earnings of companies that are granted the Real Estate Investment Trust (REIT) status is exempt from Corporate Tax and provisional corporate tax as per the article 5, section 1, paragraph d/4 of the Corporate Tax Law nr 5520. On the other hand, as per the article 15, paragraph 3 of the Corporate Tax Law, the percentage of the income tax withholding required to be made over the earnings of these partnerships that are subject to exemption is currently zero in accordance with the Ministerial Council Decision nr 2010/14594 (nr 2003/6577 for 2008). For that reason, no tax calculation has been made in relation to the 31 December 2011 and 31 December 2010 accounting periods (Note 21).

(k) Provision for Termination Indemnity:

Under Turkish Labour Law Article 25/II, the Company is required to pay termination indemnities to each employee who completes one year of service and whose employment is terminated upon causes that qualify the employee to receive termination indemnity, is called up for military service, leaves within one year after marriage (women only), and to those employees who retire or die. The amount payable consists of one month's salary for each year of service. This entitlement is limited to TL 2.731,85 in respect of each year of service as of 31 December 2011 (31 December 2010- TL 2.517,01).

The Company has determined the termination indemnity liability stated in the accompanying financial statements as per the recognition and valuation principles stated in "Employee Benefits" TAS 19. As the characteristics of the termination indemnity liabilities are similar to the "Post Employment Benefit Plans" stated in this standard, these liabilities are calculated and stated in the financial statements on the basis of below mentioned "Proposed Unit Loan Method" and other various assumptions.

- The dates that the employees will gain their pension rights are determined with respect to the current social security laws with consideration to their past employment durations.

- In calculating the current value of future liabilities that may arise due to the retirement or contract termination of an employee, it is assumed that the current salaries and wages or, if higher than the value of the termination indemnity upper limit determined by the Labour Law for 31 December 2011, the termination indemnity upper limit, to remain constant for restatement purposes and this value is reduced by the projected interest rate of 11,27 % that is issued as Government Debt Security in 2011 (31 December 2010- 10%) calculated based upon the assumption that the expected annual inflation rate will be 7,00 % (31 December 2010 – 5,10%) and the expected discount rate will be 3,99 % (31 December 2010 – 4,66%) which represents the proposed average interest rate per annum of the government bonds, in order to determine the current net value of the termination indemnity liability at the balance sheet date.

2. Presentation of the Financial Statements (continued)

viii. Summary of Significant Accounting Policies and Valuation Methods (continued):

(l) Revenues and Expenses :

The accrual basis of accounting is applied for the recognition of revenues and expenses. The accrual concept requires that revenue, income and profits should be matched with costs, expenses and losses belonging to the same period.

Sales are mainly constituted of sales revenue generated from real estate sold and the rents from property held for investment purposes. Sales are accounted for by the accrual principle, calculated over fair value of the prospect or realized income upon services provided, reliable determination of the income amount, and possible economical benefits to be acquired by the Company over the transaction. Sales revenue obtained from real estate sales are recognized at the date of delivery and the rent income is accounted for by the accrual principle. If there is a significant amount of financial cost involved with the sales, the fair value of the sale is determined by discounting the receivables. The interest rate used in determining the current value of receivables is the rate which discounts the nominal value of the sales total to the cash price of the service. The difference between the nominal value of the sales consideration and the fair value calculated accordingly is accounted for as interest income in the related periods.

If the balances recorded as income become doubtful balances, the provision for these accounts are not deducted from income accounts, these are accounted for as expense in financial statements.

Net sales are constituted of the invoiced sales balances after discounts and returns are deducted.

Cost of sales is mainly made up of cost of real estate sold, the depreciation and relevant expenses of the rent generating real estates held for investment.

(m) Earnings/(Loss) per Share :

Earnings/(loss) per share is calculated by dividing the net profit or loss for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Companies in Turkey can increase their share capital through distributing shares (bonus shares) from retained earnings and differences arising from inflation adjustment of equity to their current shareholders. When calculating profit/(loss) per share, these bonus shares are recognized as issued shares. Therefore, the weighted average of shares used in the calculation of profit/(loss) per share is derived through retroactive application with respect to bonus shares.

2. Presentation of the Financial Statements (continued)

viii. Summary of Significant Accounting Policies and Valuation Methods (continued):

(n) Accounting Estimates :

During the preparation of financial statements in accordance with the TAS/TFRS, the Management may make assumptions and estimates that might affect the book value of the assets and liabilities stated in the financial statements as of the reporting period, explanations regarding unrecognized liabilities, and income and expense totals related to the period. However, actual results may vary from these results.

(o) Effect of Foreign Currency Changes:

Transactions and balances in foreign currency are translated into Turkish Lira by using the exchange rates prevailing at the transaction date. Foreign currency denominated assets and liabilities are translated to TL with foreign exchange rates current at the balance sheet date. Foreign exchange income and losses arising from transactions denominated in foreign currency are recognized in the statement of income in the related period.

(p) Borrowing Costs :

Borrowing costs are recognized as expense. Borrowing costs related to the qualifying assets are included directly in the cost of the related qualifying asset. Capitalization of borrowing costs shall cease when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

(r) Events After the Reporting Period:

The Company updates disclosures that relate to conditions that existed at the end of the reporting period to reflect any relevant information received after the reporting period. Non-adjusting events should be disclosed if they are of such importance that non-disclosure would affect the ability of users to make proper evaluations and decisions.

(s) Conditional Assets and Liabilities:

Assets and liabilities that originate from past incidents and whose presence is not fully under the company management control as it can only be confirmed through the realization of one or more indefinite incidents to take place in the future are not included in the financial statements and are classified as conditional liabilities and assets.

(t) Statement of Cash Flows:

In the statement of cash flows, current period cash flows are classified as principal activities, investing activities, and financing activities, and reported accordingly.

Cash flows arising from principal activites are those that are related to the Company operations.

2. Presentation of the Financial Statements (continued)

viii. Summary of Significant Accounting Policies and Valuation Methods (continued):

(t) Statement of Cash Flows (continued)

Cash flows from investing activities are those used by/provided from the Company's investments (i.e. fixed asset investments and financial investments).

Cash flows from financing activities represent the financial sources used in the Company's finance operations and their repayments.

The cash and cash equivalents in the statement of cash flows comprise cash, banks and short term investments of short maturity (up to 3 months) and high liquidity which are convertible to known amounts of cash with defined amounts maturing maximum in 3 months, having high liquidity which are easily convertible into cash.

3. Cash and Cash Equivalents

Cash and cash equivalents consist of the following (TL):

	31 December 2011		31 December 2010	
Banks		21.455.521		22.987.049
- TL demand deposit	32.235		29.250	
- Foreign currency demand deposit	-		9.881	
- Foreign currency time deposit *	21.423.286		22.947.918	
Cheques		35.146		-
B Type Liquid Fund		853.452		16.826.654
Total (Note 24 (i))		22.344.119		39.813.703

* As of 31 December 2011, the interest rate on USD time deposits at banks varies between 4,95 % and 5,30 % and the accrued interest amounts to TL 3.846; and the interest rate on Euro time deposits at banks varies between 4,65 % and 5,30 % and the accrued interest amounts to TL 47.012 (31 December 2010 Euro deposits: 3,10 - 3,40 %, TL 22.115). The maturity of USD bank deposit varies between 2 February 2012 and 17 February 2012 and the maturity of Euro bank deposit varies between 3 January 2012 and 2 February 2012 (31 December 2010: USD deposit 20 January 2011 and 2 February 2011; Euro deposit 11 January 2011 – 1 February 2011).

The Company has no blocked deposits at banks as of 31 December 2011 and 31 December 2010.

4. Financial Assets

As of 31 December 2011 and 31 December 2010, the Company's financial assets are as follows:

Financial assets held to maturity:

	31 December 2011			31 December 2010		
Currency	Book Value (TL)	Interest Rate	Maturity Date	Book Value (TL)	Interest Rate	Maturity Date
USD	105.075.714	4,65%	18.01.2012	86.380.484*	4,65%	18.01.2012
Total	**105.075.714**			**86.380.484**		

* Consist of long term financial assets

Financial assets held for trading:

	31 December 2011		31 December 2010	
	Participation (%)	Amount (TL)	Participation (%)	Amount (TL)
Alsim Alarko Sanayi Tesisleri ve Tic. A.Ş.*	0	1.196	0	1.196
Alarko Deyaar Gayrimenkul Geliştirme A.Ş.*	0	500	0	500
Alarko Holding A.Ş.	0	1.824.665	0	2.250.420
Total	**0**	**1.826.361**	**0**	**2.252.116**

* Capital commitment below %1

Investment in Alarko Holding A.Ş. is based on the stock price which is the current best bid at the Istanbul Stock Exchange which is expected to approach its fair value as of 31 December 2011 and 31 December 2010. The Company follows up on the increases and decreases which arise from fair value recognition in the Shareholder's Equity account under "Financial Assets Value Increase Fund" account in the financial statements. Accordingly, a total of TL 988.966 was recorded as Value Increase under the "Financial Assets Value Increase Fund" account and this total is calculated upon the value increase of TL 425.756 arising from valuation at fair value as of 31 December 2011 and the value decrease of TL 563.210 arising as of 31 December 2011 (Note 14 (c) and 24(vi)).

The participation totals in Alarko Deyaar Gayrimenkul Geliştirme A.Ş. and Alsim Alarko Sanayi Tesisleri ve Tic. A.Ş have been valued at their restated cost values as they have no quoted value in the organized markets and their fair values cannot be determined reliably.

5. Trade Receivables and Payables

Trade receivables consist of the following (TL) :

	31 December 2011	31 December 2010
Trade receivables, net	102.176	143.143
Notes receivable	68.690	19.786
Doubtful trade receivables	211.791	214.222
Provision for doubtful trade receivables(-)	(211.791)	(214.222)
Total (Note 24 (i))	170.866	162.929
Due from related parties, net (Note 23 (a) and 24 (i))	9.560.116	6.598.327
Grand Total	9.730.982	6.761.256

As of 31 December 2011 and 31 December 2010, the changes in provision for doubtful trade receivables for the period consist of the following (TL) :

	31 December 2011	31 December 2010
Provision for doubtful trade receivables at the beginning of the period	214.222	84.710
Provisions no longer required	(17.065)	(18.661)
Provisions made during the period	14.634	148.173
Provision for doubtful trade receivables at the end of the period (Note 24 (i))	211.791	214.222

Trade payables consist of the following (TL) :

	31 December 2011	31 December 2010
Suppliers, net	10.929	591.466
Due to related parties (Note 23 (b) and Note 24 (ii))	4.678	1.173.125
Total	15.607	1.764.591

6. Other Receivables and Payables

Other long term receivables consist of the following (TL) :

	31 December 2011	31 December 2010
Deposits and guarantees given (Note 24 (i))	12.205	14.127

Other payables consist of the following (TL) :

	31 December 2011	31 December 2010
Due to Alarko Central Administration (Note 24(ii))	9.277	10.034
Due to personnel	59	501
Other miscellaneous debts (Note 24(ii))	169	3.645
Due to shareholders (Note 24(ii) and 23 (c))	351	255
Total	9.856	14.435

Other long term payables consist of the following (TL) :

	31 December 2011	31 December 2010
Deposits and guarantees received	248.792	381.833

7. Inventories

Inventories comprise real estates held for trading. Details as of 31 December 2011 and 31 December 2010 are stated below:

	31 December 2011				31 December 2010			
	Restated Book Value (TL)	Sales Value (TL)	Expertise Value (TL)	Expertise Date	Restated Book Value (TL)	Sales Value (TL)	Expertise Value (TL)	Expertise Date
Real Estate Project								
Land Share(1 Parcel) and Project Cost	-	-	-	-	-	-	-	-
Unsold projects	13.601.318	-	14.230.000	05.12.2011	14.339.405	-	14.130.000	07.12.2010
Projects whose sales contracts are realized	3.851.517	3.427.659	-	-	12.090.515	11.798.400	-	-
Impairment loss	(810.207)	-	-	-	(1.285.327)	-	-	-
Total	16.642.628	3.427.659	14.230.000		25.144.593	11.798.400	14.130.000	
Land in Büyükçekmece								
Land cost (5 Parcels)	4.321.594	-	8.770.000	05.12.2011	4.321.594	-	8.260.000	04.12.2010
Land in Maslak								
Land cost	15.105.685	-	35.080.000	12.12.2011	15.105.685	-	33.185.000	06.12.2010
Total	**36.069.907**	**3.427.659**	**58.080.000**		**44.571.872**	**11.798.400**	**55.575.000**	

7. Inventories (continued)

Real Estate Project: The construction license of 63 villas and 1 social facility constructed on an area of 239.466 m² on section 106, parcel 18 in Büyükçekmece Eskice District included in the investment properties portfolio is received on 21 October 2005 and the sales transactions have started. As of 31 December 2011, sales contracts have been made for 50 villas.

Land in Büyükçekmece: There are 5 parcels of land with a total area of 819.272 m².

Land in Maslak: It is planned to construct a mall on an area of 18.962 m² in Maslak, İstanbul.

As of 31 December 2011 and 31 December 2010, the All Risk on Construction and Employer's Liability Insurance totals for the Real Estate Project amount to TL 30.789.070 and TL 36.662.654, respectively (Note 27).

The Company's real estates have been revalued by Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.

As promulgated in the Official Gazette dated 28 July 2011 and number 28008, Article 27/d of the Capital Markets Board Communiqué Serial VI/29, the rate of lands and registered lands which are in the portfolio, but which in spite of a period of 5 years having elapsed from their acquisition, have not been administered for any project development cannot exceed 20% of the portfolio value. The project development practices related to the land in Maslak continue and the land does not exceed %20 of the total assets of the company.

8. Investment Properties

Investment properties consist of the following (TL):

Cost	Investment Properties	Total
As of 1 January 2010	45.111.164	45.111.164
Additions	1.206.219	1.206.219
Transfers	-	-
Disposals	-	-
As of 31 December 2010	46.317.383	46.317.383
Additions	26.000.000	26.000.000
Transfers	-	-
Disposals	-	-
As of 31 December 2011	72.317.383	72.317.383

8. Investment Properties (continued)

Investment properties consist of the following (TL) (continued):

Accumulated Depreciation	Investment Properties	Total
As of 1 January 2010	9.321.071	9.321.071
Charge for the current period (Note 15)	1.647.172	1.647.172
Disposals	-	-
As of 31 December 2010	10.968.243	10.968.243
Charge for the current period (Note 15)	2.041.803	2.041.803
Disposals	-	-
As of 31 December 2011	13.010.046	13.010.046

Net Book Value	Investment Properties	Total
As of 31 December 2010	35.349.140	35.349.140
As of 31 December 2011	59.307.337	59.307.337

As of 31 December 2011, the addition amount is due to the purchase of Eyüp Topçular Plant Buildings (31 December 2010, Hillside Beach Club)

As of 31 December 2011 and 31 December 2010, the total insurance on investment properties amounts to TL 68.010.909 and TL 58.011.740 , respectively (Note 27).

8. Investment Properties (continued)

Investment properties consist of the following (TL) (continued):

Comparison of cost and market values of investment properties as of 31 December 2011 and 31 December 2010 is as follows:

Name of Real Estate	Date of Expertise Report	31 December 2011 Market Value (TL)	Cost, Net (TL)
Hillside Beach Club Holiday Village	16.12.2011	63.000.000	29.337.307
Etiler Alkent Complex – Shops	12.12.2011	7.935.000	2.712.500
Eyüp Topçular - Plant	16.12.2011	26.430.000	25.620.833
Ankara Çankaya Business Center	09.12.2011	2.720.000	1.112.937
İstanbul Karaköy Business Center	12.12.2011	1.730.000	522.657
İstanbul Şişhane Business Center	12.12.2011	1.920.000	1.103
Total		103.735.000	59.307.337

Name of Real Estate	Date of Expertise Report	31 December 2010 Market Value (TL)	Cost, Net (TL)
Hillside Beach Club Holiday Village	09.12.2010	60.415.000	30.689.505
Etiler Alkent Complex – Shops	06.12.2010	7.135.000	2.922.500
Ankara Çankaya Business Center	07.12.2010	2.500.000	1.142.949
İstanbul Karaköy Business Center	07.12.2010	1.300.000	593.043
İstanbul Şişhane Business Center	07.12.2010	1.590.000	1.143
Total		72.940.000	35.349.140

The Company’s investment properties have been revalued by Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.

9. Tangible Assets

As of 31 December 2011, tangible assets consist of the following(TL) :

Cost ;

	Opening 1 January 2011	Additions	Disposals	Closing 31 December 2011
Land improvements	123.365	-	-	123.365
Buildings	311	-	-	311
Plant, machinery and equipment	4.216	-	-	4.216
Furniture and fixtures	149.661	671	-	150.332
Other tangible assets	27.373	-	-	27.373
Sub total	304.926	671	-	305.597
Accumulated depreciation ;				
Land improvements	123.365	-	-	123.365
Buildings	311	-	-	311
Plant, machinery and equipment	4.216	-	-	4.216
Furniture and fixtures	143.756	1.960	-	145.716
Other tangible assets	27.373	-	-	27.373
Sub total (Note 17)	299.021	1.960	-	300.981
Net Value	5.905	(1.289)	-	4.616

9. Tangible Assets (continued)

As of 31 December 2010, tangible assets consist of the following(TL) :

Cost ;

	Opening 1 January 2010	Additions	Disposals	Closing 31 December 2010
Land improvements	123.365	-	-	123.365
Buildings	311	-	-	311
Plant, machinery and equipment	4.216	-	-	4.216
Furniture and fixtures	149.241	420	-	149.661
Other tangible assets	342.604	-	(315.231)	27.373
Sub total	619.737	420	(315.231)	304.926
Accumulated depreciation ;				
Land improvements	123.365	-	-	123.365
Buildings	311	-	-	311
Plant, machinery and equipment	4.216	-	-	4.216
Furniture and fixtures	138.194	5.562	-	143.756
Other tangible assets	342.604	-	(315.231)	27.373
Sub total (Note 17)	608.690	5.562	(315.231)	299.021
Net Value	11.047	(5.142)	-	5.905

As of 31 December 2011 and 31 December 2010, the total insurance on tangible assets amounts to TL 67.717 and TL 55.424, respectively (Note 27).

10. Intangible Assets

As of 31 December 2011, intangible assets consist of the following (TL) :

Cost ;

	Opening 1 January 2011	Additions	Disposals	Closing 31 December 2011
Rights	11.094	-	-	11.094
Other intangible assets	85.956	38.399	-	124.355
Sub total	97.050	38.399	-	135.449
Accumulated amortisation;				
Rights	10.779	28	-	10.807
Other intangible assets	82.584	7.089	-	89.673
Sub total (Note 17)	93.363	7.117	-	100.480
Net Value	3.687	31.282	-	34.969

As of 31 December 2010, intangible assets consist of the following (TL) :

Cost ;

	Opening 1 January 2010	Additions	Disposals	Closing 31 December 2010
Rights	11.094	-	-	11.094
Other intangible assets	85.956	-	-	85.956
Sub total	97.050	-	-	97.050
Accumulated amortisation;				
Rights	10.753	26	-	10.779
Other intangible assets	81.322	1.262	-	82.584
Sub total (Note 17)	92.075	1.288	-	93.363
Net Value	4.975	(1.288)	-	3.687

11. Provisions, Conditional Assets and Liabilities

a) As of 31 December 2011 and 31 December 2010, the provisions made by the Company for other liabilities consist of the following (TL);

	31 December 2011	31 December 2010
Rent payable to the Turkish Ministry of Environment and Forestry	803.794	769.899
Other	1.712	1.815
Total (Note 24 (ii))	805.506	771.714

As of 31 December 2011 and 31 December 2010, two parcels of the land in Eskice District in Büyükçekmece Village stated in the inventories and fixed asset accounts of the Company regarded as;

Greenfield site is expropriated on behalf of ISKI as this piece of land is under unconditional preservation by the provisions of the communiqué related to protection of land bearing tap water and drinking water resources against contamination;

There is a right of easement in relation to the stores in Etiler Alkent Sitesi in Beşiktaş District dated 14 October 1987 nr. 6430 to be utilized on behalf of the Company property on section 1411, parcel 1 and against that on section 1408, parcel 1 to benefit from central heating facilities; and there is a right of easement for a period of 49 years at a fee of TL 7,72 to construct 1,5 m wide channels in some parts of the heating installations.

Furthermore, there is a personal right of easement for the owners of the property on section 1410 parcel 1 to benefit from the unused parking lot as stated in the project against the same parcel by voucher dated 26 February 1992 nr 784.

b) Guarantees given by the Company to third parties are as follows for the respective periods (TL) :

Guarantees given by the Company	31 December 2011	31 December 2010
A.Guarantees given by The Company's legal entity	2.308.255	2.057.378
B. The total amount of the guarantees given in favor of the entities included in full consolidation	-	-
C.The total amount of the guarantees given for recieving the dues of the third parties and for the conducting purpose of ordinary commercial activities	-	-
D. The total amount of the other guarantees given		
i. The total amount of the guarantees given in favor of the parent company	-	-
ii. The total amount of the guarantees given in favor of the other group companies not covered by the articles B and C	-	-
iii. The total amount of the guarantees given in favor of the third parties not covered by the article C	-	-
Total	2.308.255	2.057.378

11. Provisions, Conditional Assets and Liabilities

c) Guarantee notes and letters received for short term trade receivables consist of the following (TL) :

	31 December 2011	31 December 2010
Guarantee notes received	1.519.302	1.287.899
Letter of guarantees received	377.882	383.505
Total	1.897.184	1.671.404

d) The Company's overdue receivables and the related provisions made consist of the following (TL) :

	Overdue (Uncollectible) Receivables	Provisions
31 December 2011	211.791	211.791
31 December 2010	214.222	214.222

12. Employee Benefits

Employee benefits comprise provisions for termination indemnity as stated in the following (TL) :

	31 December 2011	31 December 2010
Provision for termination indemnity at the beginning of the period	107.652	137.576
Increase/decrease during the period	(1.266)	(29.924)
Provision for termination indemnity at the end of the period	106.386	107.652

13. Other Assets and Liabilities

Other current assets consist of the following (TL) :

	31 December 2011	31 December 2010
Prepaid rents	160.221	147.712
Prepaid taxes and funds	165.415	250.877
Deferred VAT	-	263.922
Expenses related to future months	18.375	25.412
Job advances	52.920	32.556
Total	396.931	720.479

13. Other Assets and Liabilities (continued)

Other short term liabilities consist of the following (TL) :

	31 December 2011	31 December 2010
Advances received *	4.117.791	14.287.604
Taxes, duties, and other withholdings payable (Note 24 (ii))	1.009.702	71.960
Income related to future months (Note 24 (ii))	12.571	18.882
Total	5.140.064	14.378.446

Other long term liabilities consist of the following (TL) :

	31 December 2011	31 December 2010
Advances received *	595.908	32.228

* The advances received consist of advances received from customers related to the sale of real estates whose construction has started within the scope of Real Estate Project.

14. Equity

a) Paid-in Capital

As of 31 December 2011 and 31 December 2010, the Company's registered share capital amounts to TL 20.000.000 while the issued and paid-in capital amounts to TL 10.650.794. The issued capital consists of 1.065.079.400 shares of Kr 1 nominal value each. The Company's shareholding structure is elaborated in Note 1.

b) Capital Adjustment Differences

As of 31 December 2011 and 31 December 2010, the difference arising from restatement of nominal capital amounts to TL 54.712.578 (Note 1).

c) Financial Assets Value Increase Fund

Investment in Alarko Holding A.Ş. is based on the stock price which is the current best bid at the Istanbul Stock Exchange which is expected to approach its fair value as of 31 December 2011 and 31 December 2010. The Company follows up on the increases and decreases which arise from fair value recognition in the Shareholder's Equity account under "Financial Assets Value Increase Fund" account in the financial statements. Accordingly, there is a value increase of TL 563.210 as of 31 December 2011 and a value increase of TL 988.966 as of 31 December 2010, both arising from fair value recognition, and these are stated in the "Financial Assets Value Increase Fund" account (Note 4).

14. Equity (continued)

d) Restricted Profit Reserves

As of 31 December 2011, the restricted profit reserves consist of legal reserves amounting to TL 1.837.887 (31 December 2010 – TL 1.460.770).

Legal reserves, which are divided as First Legal Reserve and Second Legal Reserve as per the Turkish Commercial Code, are appropriated as below:

a) First Legal Reserve: Appropriated out of net profit at the rate of 5% until such reserve is equal to 20% of issued and fully paid capital.

b) Second Legal Reserve: Appropriated out of net profit at the rate of 10% of distributions after providing for First Legal Reserve and an amount equal to 5% of capital as dividends.

Legal reserves which do not exceed one half of share capital may only be used to absorb losses or for purposes of continuity of the business in times of business difficulties and to prevent unemployment or lessen its effects.

e) Retained Earnings/(Accumulated Losses)

The distribution of retained earnings / (accumulated losses) is as follows (TL) :

	31 December 2011	31 December 2010
Extraordinary reserves	128.887.175	124.618.916
Retained earnings	-	-
Total	128.887.175	124.618.916

15. Sales and Cost of Sales

Sales revenues consist of the following (TL) :

	1 January 2011- 31 December 2011	1 January 2010- 31 December 2010
Income on sale of real estate	9.816.388	1.130.647
Rent income	9.851.602	6.791.166
Income on land sales	36.618	258.882
Total	19.704.608	8.180.695

15. Sales and Cost of Sales (continued)

Cost of sales consist of the following (TL) :

	1 January 2011- 31 December 2011	1 January 2010- 31 December 2010
Depreciation expenses (Notes 8 and 17)	2.041.803	1.647.172
Cost of real estate sold	8.897.718	792.902
Cost of land sold	18.446	123.160
Total	10.957.967	2.563.234

Cost of sales basically consists of cost of land sales, cost of real estate sales and depreciation expenses on investment properties. As of 31 December 2011, the impairment loss calculated for the real esates sold within the year amounts to TL 810.207 while the provision made in the prior year amounts to TL 1.285.327 TL. The difference of TL 475.120 is deducted from the cost of sales and recognized as income in the current period (Note 7).

16. General Administration Expenses

General administration expenses consist of the following (TL) :

	1 January 2011- 31 December 2011	1 January 2010- 31 December 2010
General administration expenses	3.161.114	2.264.109
Total	3.161.114	2.264.109

17. Expenses by Nature

General administration expenses by nature consist of the following (TL) :

	1 January 2011- 31 December 2011	1 January 2010- 31 December 2010
Personnel expenses	711.213	730.858
Rent expenses	647.805	561.828
Taxes, duties, and fees	1.073.146	301.120
Outsourced repair work and services	173.463	230.336
Financial consultancy and audit expenses	25.007	29.821
Legal consultancy expenses	36.600	30.500
Study, project translation expenses	35.214	152.272
Publishing expenses	9.576	8.708
Communication expenses	10.803	8.303
Depreciation and amortization expenses	7.827	2.104
Other consultancy expenses	287.750	15.624
Other expenses	142.710	192.635
Total	3.161.114	2.264.109

17. Expenses by Nature (continued)

Depreciation and amortisation expenses consist of the following (TL) :

	1 January 2011- 31 December 2011	1 January 2010- 31 December 2010
Project costs	1.250	4.746
Cost of sales (Note 15)	2.041.803	1.647.172
General administration expenses	7.827	2.104
Total	2.050.880	1.654.022

	1 January 2011- 31 December 2011	1 January 2010- 31 December 2010
Investment properties (Notes 8 and 15)	2.041.803	1.647.172
Tangible assets (Note 9)	1.960	5.562
Intangible assets (Note 10)	7.117	1.288
Total	2.050.880	1.654.022

Employee benefits consist of the following (TL) :

	1 January 2011- 31 December 2011	1 January 2010- 31 December 2010
General administration expenses	714.390	783.039
Project costs	456.521	455.653
Total	1.170.911	1.238.692

	1 January 2011- 31 December 2011	1 January 2010- 31 December 2010
Wages and salaries	988.159	998.136
Personnel transportation expenses	30.026	59.147
Personnel catering expenses	14.256	15.638
Personnel health expenses	3.958	3.960
Other personnel expenses	134.512	161.811
Total	1.170.911	1.238.692

18. Other Operating Income / (Expenses)

Other operating income consists of the following (TL):

	1 January 2011 – 31 December 2011	1 January 2010 – 31 December 2010
Turkish Ministry of Environment and Forestry – Rent	803.794	769.899
Turkish Ministry of Environment and Forestry – Land appropriation	200.746	184.391
Income other than rent received from real estates	183.677	66.260
Provisions no longer required for termination indemnities	1.266	29.924
Provisions for bad receivables	17.065	18.661
Connection of electrical wires and water pipes	7.442	6.704
Diğer	11.621	86.294
Total	**1.225.611**	**1.162.133**

Other operating expenses consist of the following (TL):

	1 January 2011 – 31 December 2011	1 January 2010 – 31 December 2010
Closed construction costs	761.881	1.177.320
Adequate pay by Muğla Revenue Office	168.616	-
Turkish Ministry of Environment and Forestry – Rent	821.499	769.899
Turkish Ministry of Environment and Forestry – Land appropriation	207.840	184.391
Provisions for bad receivables	14.634	148.173
Maturity difference expenses	47.569	113.483
Connection of electrical wires and water pipes	7.442	6.704
Other	77.875	49.198
Total	**2.107.356**	**2.449.168**

19. Financial Income

Financial income consists of the following (TL) :

	1 January 2011 – 31 December 2011	1 January 2010 – 31 December 2010
Foreign exchange gains	25.787.127	6.631.757
Interest income	3.107.023	2.887.938
Profit on sale of other marketable securities	99.810	732.038
Maturity difference income	17.814	17.379
Rediscount interest income	700	688
Dividend income	13.503	9.759
Total	**29.025.977**	**10.279.559**

20. Financial Expenses

Financial expenses consist of the following(TL) :

	1 January 2011 – 31 December 2011	1 January 2010 – 31 December 2010
Foreign exchange losses	2.488.752	6.355.285
Losses on sales of other securities	10.437	-
Rediscount interest expenses	1.192	699
Other expenses	-	46
Total	**2.500.381**	**6.356.030**

21. Tax Assets and Liabilities

The Turkish corporation tax rate for 2011 is 20% (31 December 2010 – 20%). This rate is applicable to the tax base derived upon exemptions and deductions stated in the tax legislation through addition of disallowable expenses to the commercial revenues of the companies with respect to the tax legislation.

Calculation of current period corporation tax is as follows (TL) :

	31 December 2011	31 December 2010
Per statutory books	31.229.378	5.989.846
Other deductions	(31.229.378)*	(5.989.846)*
Sub total	-	-
Tax rate (%)	20	20
Tax provision	-	-

* Due to the Company's REIT status, the income for the current period is stated as other deductions (Note 2 (viii) (j)).

21. Tax Assets and Liabilities (continued)

Deferred Tax Assets and Liabilities

As of 31 December 2011 and 31 December 2010 due to the Company's REIT status, no deferred tax calculation has been made (Note 2 (viii) (j)).

22. Earnings Per Share

Calculation of earnings per share is made as follows :

	31 December 2011	31 December 2010
Profit for the period	31.229.378	5.989.846
Weighted average number of ordinary shares for the reporting period (per share of TL 1 nominal value)	10.650.794	10.650.794
Earnings per share (TL)	2,932	0,562

23. Related Party Disclosures

a) Balances due from related parties consist of the following (TL) :

	31 December 2011		31 December 2010	
	Trade	Non-Trade	Trade	Non-Trade
Alarko Holding A.Ş.	3.667	-	284	-
Attaş Alarko Turistik Tesisler A.Ş.	9.557.641	-	6.598.742	-
Less: Deferred income	(1.192)	-	(699)	-
Total (Note 5)	9.560.116	-	6.598.327	-

23. Related Party Disclosures (continued)

b) Balances due to related parties consist of the following (TL) :

	31 December 2011		31 December 2010	
	Trade	Non-Trade	Trade	Non-Trade
Alsim Alarko San. Tes. ve Tic. A.Ş.	-	-	1.172.375	-
Alarko Holding A.Ş.	563	-	-	-
Altek Alarko Elek.Sant.Tes. Tic. A.Ş.	1.909	-	750	-
Alarko Carrier San. ve Tic. A.Ş.	2.206	-	-	-
Total (Note 5)	4.678	-	1.173.125	-

c) Balances due to shareholders consist of the following (TL) :

	31 December 2011	31 December 2010
Dividends payable (Note 6)	351	255

d) Purchases made from and sales made to related parties consist of the following (TL):

The Company has generated income and incurred expenses as a result of the transactions realized with the related parties as stated in the following:

	31 December 2011	31 December 2010
Expenses		
Foreign exchange losses	10.508	203.879
Rent expenses	647.805	561.464
Maturity difference expenses	47.569	113.483
Services received	90.574	254.613
Rediscount expenses	1.192	699
Other expenses	16.851	11.438
Total	814.499	1.145.576

23. Related Party Disclosures (continued)

d) Purchases made from and sales made to related parties consist of the following (TL) (continued):

The Company has generated income and incurred expenses as a result of the transactions realized with the related parties as stated in the following (continued):

	31 December 2011	31 December 2010
Income		
Rent income	8.185.570	5.523.316
Turkish Ministry of Environment and Forestry – Land appropriation	200.747	184.391
Turkish Ministry of Environment and Forestry – Rent (2%)	803.794	769.899
Foreign exchange gains	-	33.609
Interest income	13.087	16.644
Adequate pay	154.959	-
Dividends income	13.503	9.759
Other	41.332	15.991
Total	9.412.992	6.553.609

Transactions with related parties subject to invoicing on company basis are stated in the following:

	31 December 2011			31 December 2010		
Purchases	Merchandise	Service	Other	Merchandise	Service	Other
Attaş Alarko Turistik Tes. A.Ş.	-	-	10.508	1.206.219	-	320.904
Alarko Carrier San. ve Tic. A.Ş.	26.000.000	-	4.729	-	-	3.259
Alarko Holding A.Ş.	46.302	750.888	12.123	-	744.549	8.179
Alsim Alarko San. Tes. ve Tic. A.Ş.	-	-	47.569	-	-	113.483
Total	26.046.302	750.888	74.929	1.206.219	744.549	445.825

23. Related Party Disclosures (continued)

d) Purchases made from and sales made to related parties consist of the following (TL) (continued):

Transactions with related parties subject to invoicing on company basis are stated in the following (continued):

	31 December 2011			31 December 2010		
Sales	Merchandise	Service	Other	Merchandise	Service	Other
Attaş Alarko Turistik Tes. A.Ş.	-	-	8.993.920	-	-	6.203.312
Aldem A.Ş.	-	-	8.426	-	-	-
Alarko Holding A.Ş.	-	-	12.705	-	-	-
Alarko Carrier San. ve Tic. A.Ş.	-	-	292.228	-	-	261.051
Alsim Alarko San. Tes. ve Tic. A.Ş.	-	-	26.261	-	-	19.046
Altek Alarko Elektrik Sant. Tes. İşl. ve Tic. A.Ş.	-	-	79.452	-	-	70.200
Total			9.412.992			6.553.609

As of 31 December 2011 and 31 December 2010, there are no doubtful receivables arising from related parties.

As of 31 December 2011 and 31 December 2010, the wages and similar benefits provided to top management amounts to TL 744.113 and TL 775.161, respectively.

24. Nature and Extent of Risk Arising from Financial Instruments

Financial instruments and financial risk management

Due to the nature of its operations, the Company is exposed to various financial risks including the effects of changes in foreign exchange rates and interest rates on debt and capital market prices. The Company's total risk management program focuses on the unpredictability of financial markets, and aims to bring down to a minimum its potential negative effects on the Company's financial performance.

Risk management is implemented within the frame of the following policies:

i. Credit Risk

The credit risk of the Company is basically attributed to its trade receivables. Trade receivables are valued by the Company management taking into account the past experiences and the current economic outlook, and they are recognized in the statement of financial position, net, after provisions for doubtful receivables when deemed necessary.

24. Nature and Extent of Risk Arising from Financial Instruments (continued)

i. Credit Risk (continued)

As of 31 December 2011, the maturities and the guarantee structure of the Company's receivables and cash and cash equivalents are stated in the following (TL):

	Receivables					
	Trade Receivables		Other Receivables			
31 December 2011	Related Party	Other Party	Related Party	Other Party	Bank Deposits	Cash and Cash Equivalents
Maximum credit risk incurred as of the reporting date (A+B+C+D+E) (1) (Notes 3,5 and 6)	**9.560.116**	**170.866**	-	**12.205**	**21.455.521**	**853.452**
- The portion of maximum risk guaranteed with collaterals	-	-	-	-	-	-
A- Net book value of financial assets that are						
neither overdue nor impaired (2) (Notes 3,5 and 6)	9.560.116	168.957	-	12.205	21.455.521	853.452
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 (3)	-	1.909	-	-	-	-
- Portion taken under guarantee through collaterals	-	-	-	-	-	-
D- Net book values of impaired assets	-	-	-	-	-	-
- Overdue (gross book value) (Note 5)	-	211.791	-	-	-	-
- Impairment loss (-) (Note 5)	-	(211.791)	-	-	-	-
- The portion of net value guaranteed with collaterals	-	-	-	-	-	-
E- Elements carrying derecognized credit risk	-	-	-	-	-	-

(1) In determining the amount of credit risk to be incurred, factors that increase credit reliability, i.e. the guarantees received, are not taken into consideration.
(2) No impairment or credit risk is anticipated in relation to the financial assets that are not overdue or impaired.
(3) As the overdue financial assets that are not impaired have short term maturities, they are not expected to create impairment loss in the future either.

24. Nature and Extent of Risk Arising from Financial Instruments (continued)

i. Credit Risk (continued)

As of 31 December 2010, the maturities and the guarantee structure of the Company's receivables and cash and cash equivalents are stated in the following (TL):

	Receivables					
	Trade Receivables		Other Receivables			
31 December 2010	Related Party	Other Party	Related Party	Other Party	Bank Deposits	Cash and Cash Equivalents
Maximum credit risk incurred as of the reporting date (A+B+C+D+E) (1) (Notes 3,5 and 6)	**6.598.327**	**162.929**	-	**14.127**	**22.987.049**	**16.826.654**
- The portion of maximum risk guaranteed with collaterals	-	-	-	-	-	-
A- Net book value of financial assets that are						
neither overdue nor impaired (2) (Notes 3,5 and 6)	6.598.327	161.464	-	14.127	22.987.049	16.826.654
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 (3)	-	1.465	-	-	-	-
- Portion taken under guarantee through collaterals	-	-	-	-	-	-
D- Net book values of impaired assets	-	-	-	-	-	-
- Overdue (gross book value) (Note 5)	-	214.222	-	-	-	-
- Impairment loss (-) (Note 5)	-	(214.222)	-	-	-	-
- The portion of net value guaranteed with collaterals	-	-	-	-	-	-
E- Elements carrying derecognized credit risk	-	-	-	-	-	-

(1) In determining the amount of credit risk to be incurred, factors that increase credit reliability, i.e. the guarantees received, are not taken into consideration.
(2) No impairment or credit risk is anticipated in relation to the financial assets that are not overdue or impaired.
(3) As the overdue financial assets that are not impaired have short term maturities, they are not expected to create impairment loss in the future either.

24. Nature and Extent of Risk Arising from Financial Instruments (continued)

i. Credit Risk (continued)

As of 31 December 2011 and 31 December 2010, the agings of assets past due but not impaired is as follows (TL):

31 December 2011	**Related Parties**	**Trade Receivables**
1-30 days past due	-	-
1-3 months past due	-	-
3-12 months past due	-	1.909
1-5 years past due	-	-
- Portion hedged with collaterals	-	-

31 December 2010	**Related Parties**	**Trade Receivables**
1-30 days past due	-	-
1-3 months past due	-	-
3-12 months past due	-	1.465
1-5 years past due	-	-
- Portion hedged with collaterals	-	-

ii. Liquidity Risk

The liquidity risk arises during the funding of the operations of the Company and the management of the open position. The risk of not funding the operations with an appropriate maturity and rate and also the risk of not liquidating an asset in an appropriate time frame with a fair value are within the scope of liquidity risk.

As of 31 December 2011 and 31 December 2010, the maturity table for the Company's non-derivative financial liabilities is as follows:

31 December 2011	**Book Value**	**Total Cash Outflows**	**Less than 3 months**
Trade payables to related parties (Note 5)	4.678	4.678	4.678
Other trade payables (Note 5)	10.929	10.929	10.929
Other payables (Notes 6, 11 and 13)	1.837.576	1.824.652	1.824.652

31 December 2010	**Book Value**	**Total Cash Outflows**	**Less than 3 months**
Trade payables to related parties (Note 5)	1.173.125	1.173.125	1.173.125
Other trade payables (Note 5)	591.466	591.466	591.466
Other payables (Notes 6, 11 and 13)	876.490	857.353	857.353

24. Nature and Extent of Risk Arising from Financial Instruments (continued)

ii. Liquidity Risk (continued)

As of 31 December 2011, the maturity table of the assets and liabilities prepared as per their remaining maturities is as follows:

	31 December 2011					
Monetary Assets	**0-1 months**	**1-3 months**	**3-6 months**	**6-12 months**	**Longer than 1 year**	**Total**
Cash and Cash Equivalents	920.832	-	-	-	-	920.832
Inventories	-	-	16.642.628	-	19.427.279	36.069.907
Other Assets	58.272	112.210	7.126	219.323	-	396.931
Trade and Other Receivables, Net	102.176	68.690	-	-	12.205	183.071
Due From Related Parties, Net	3.667	-	-	-	-	3.667
Total Assets in TL	**1.084.947**	**180.900**	**16.649.754**	**219.323**	**19.439.484**	**37.574.408**
Cash and Cash Equivalents	9.922.187	11.501.100	-	-	-	21.423.287
Financial Assets	105.075.714	-	-	-	-	105.075.714
Trade Receivables, Net	-	-	-	-	-	-
Due From Related Parties, Net	9.556.449	-	-	-	-	9.556.449
Total Assets in Foreign Currency	**124.554.350**	**11.501.100**	**-**	**-**	**-**	**136.055.450**
Total Monetary Assets	**125.639.297**	**11.682.000**	**16.649.754**	**219.323**	**19.439.484**	**173.629.858**
Monetary Liabilities						
Trade Payables	10.929	-	-	-	-	10.929
Due to Related Parties	4.678	-	-	-	-	4.678
Provision For Termination Indemnity	-	-	-	-	106.386	106.386
Deposits and Guarantees Received	-	-	-	-	98.176	98.176
Advances Received	-	4.067.311	50.480	-	595.908	4.713.699
Provisions For Other Short Term Debts and Expenses	1.023.397	8.382	805.506	-	351	1.837.636
Total Liabilities in TL	**1.039.004**	**4.075.693**	**855.986**	**-**	**800.821**	**6.771.504**
Total Liabilities in Foreign Currency	**-**	**-**	**-**	**-**	**150.616**	**150.616**
Total Monetary Liabilities	**1.039.004**	**4.075.693**	**855.986**	**-**	**951.437**	**6.922.120**

24. Nature and Extent of Risk Arising from Financial Instruments (continued)

ii. Liquidity Risk (continued)

As of 31 December 2010, the maturity table of the assets and liabilities prepared as per their remaining maturities is as follows (TL) :

	31 December 2010					
Monetary Assets	**0-1 months**	**1-3 months**	**3-6 months**	**6-12 months**	**Longer than 1 year**	**Total**
Cash and Cash Equivalents	16.855.904	-	-	-	-	16.855.904
Inventories	-	- -	25.144.593	-	19.427.279	44.571.872
Other Assets	319.194	105.926	10.894	284.465	-	720.479
Trade Receivables, Net	143.112	19.817	-	-	14.127	177.056
Due From Related Parties, Net	284	-	-	-	-	284
Total Assets in TL	**17.318.494**	**125.743**	**25.155.487**	**284.465**	**19.441.406**	**62.325.595**
Cash and Cash Equivalents	8.132.307	14.825.492	-	-	-	22.957.799
Financial Assets	-	-	-	-	86.380.484	86.380.484
Other Current Assets	-	-	-	-	-	-
Trade Receivables, Net	6.598.043	-	-	-	-	6.598.043
Total Assets in Foreign Currency	**14.730.350**	**14.825.492**	**-**	**-**	**86.380.484**	**115.936.326**
Total Monetary Assets	**32.048.844**	**14.951.235**	**25.155.487**	**284.465**	**105.821.890**	**178.261.921**
Monetary Liabilities						
Trade Payables	591.466	-	-	-	-	591.466
Due to Related Parties	1.173.125	-	-	-	-	1.173.125
Provision For Termination Indemnity	-	-	-	-	107.652	107.652
Deposits and Guarantees Received	-	-	-	-	250.379	250.379
Advances Received	7.461	14.248.546	31.597	-	32.228	14.319.832
Provisions for Other Short Term Debts And Expenses	86.140	-	790.596	-	255	876.991
Total Liabilities in TL	**1.858.192**	**14.248.546**	**822.193**	**-**	**390.514**	**17.319.445**
Total Liabilities in Foreign Currency	**-**	**-**	**-**	**-**	**131.454**	**131.454**
Total Monetary Liabilities	**1.858.192**	**14.248.546**	**822.193**	**-**	**521.968**	**17.450.899**

24. Nature and Extent of Risk Arising from Financial Instruments (continued)

iii. Market Risk

Market risk is the risk of encountering a fluctuation in the fair value of a financial asset or in future cash flows arising from changes in market prices which may lead to a negative effect on the entity. The standard market risk factors are foreign exchange rates, interest rates, and commodity prices.

iv. Foreign Currency Risk

Foreign currency risk stems from the change in the value of a financial instrument depending on a change in foreign currency exchange rate. The Company may face foreign currency risk because of its foreign currency denominated receivables and payables. The Company continuously follows up on the said risk and takes the necessary precautions. The main foreign currencies constituting the said risk are USD and EURO.

As of 31 December 2011, the Company's net foreign currency position is TL 135.900.491 (31 December 2010 – TL 115.804.873). An increase/decrease of 10% in the foreign exchange rates will increase/decrease the Company profit by a total of TL 13.590.049.

Foreign Currency Position

On totals basis;

	31 December 2011	31 December 2010
A. Foreign currency assets	136.055.450	115.936.326
B. Foreign currency liabilities	150.616	131.453
Net foreign currency position (A-B)	**135.904.834**	**115.804.873**

24. Nature and Extent of Risk Arising from Financial Instruments (continued)

iv. Foreign Currency Risk (continued)

Foreign Currency Position

Elaborated on foreign currency basis;

	31 December 2011			31 December 2010		
	TL Equivalent (Functional Currency)	Foreign Currency Amount	Foreign Exchange Rate (Full)	TL Equivalent (Functional Currency)	Foreign Currency Amount	Foreign Exchange Rate (Full)
1.Banks						
USD	4.232.001	2.240.458	1,8889	1.232.815	797.422	1,5460
Euro	17.191.285	7.034.653	2,4438	21.724.984	10.602.208	2,0491
2.Financial Assets						
USD	105.075.714	55.627.992	1,8889	86.380.484	55.873.534	1,5460
3.Due from related parties						
USD	9.556.449	5.059.267	1,8889	6.598.043	4.267.816	1,5460
TOTAL ASSETS DENOMINATED IN FOREIGN CURRENCY	**136.055.450**			**115.936.326**		
Deposits and Guarantees Received (long term)						
USD	150.616	82.037	1,8889	131.453	85.028	1,5460
TOTAL LIABILITIES DENOMINATED IN FOREIGN CURRENCY	**150.616**			**131.453**		
NET FOREIGN CURRENCY POSITION	**135.904.834**			**115.804.873**		

24. Nature and Extent of Risk Arising from Financial Instruments (continued)

iv. Foreign Currency Risk (continued)

As of 31 December 2011, the sensitivity analysis of foreign currency position is as follows:

Foreign Currency Position Sensitivity Analysis				
	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		When USD changes by 10% against TL	
1- Net assets /liabilities in USD	11.871.355	(11.871.355)	-	-
2- Portion hedged from USD risk (-)	-	-	-	-
3- USD Net Effect (1+2)	11.871.355	(11.871.355)	-	-
	When Euro changes by 10% against TL		When Euro changes by 10% against TL	
4- Net assets/liabilities in Euro	1.719.128	(1.719.128)	-	-
5- Portion hedged from Euro risk (-)	-	-	-	-
6- Euro Net Effect (4+5)	1.719.128	(1.719.128)	-	-
Total (3+6)	13.590.483	(13.590.483)	-	-

24. Nature and Extent of Risk Arising from Financial Instruments (continued)

iv. Foreign Currency Risk (continued)

As of 31 December 2010, the sensitivity analysis of foreign currency position is as follows:

Foreign Currency Position Sensitivity Analysis				
	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		When USD changes by 10% against TL	
1- Net assets /liabilities in USD	9.407.989	(9.407.989)	-	-
2- Portion hedged from USD risk (-)	-	-	-	-
3- USD Net Effect (1+2)	9.407.989	(9.407.989)	-	-
	When Euro changes by 10% against TL		When Euro changes by 10% against TL	
4- Net assets/liabilities in Euro	2.172.498	(2.172.498)	-	-
5- Portion hedged from Euro risk (-)	-	-	-	-
6- Euro Net Effect (4+5)	2.172.498	(2.172.498)	-	-
Total (3+6)	11.580.487	(11.580.487)		

24. Nature and Extent of Risk Arising from Financial Instruments (continued)

v. Interest Rate Risk

The Company’s activities are exposed to interest rate risk due to the differences in payment date and payment amounts or restructuring of interest sensitive assets and liabilities. Corresponding interest rate risk is managed by natural measures aimed to balance assets and liabilities having interest rate sensitivity.

As of 31 December 2011 and 31 December 2010, the Company does not have significant financial assets with interest sensitivity.

vi. Stock Price Risk

The Company is exposed to stock price risk which is the risk of encountering price changes in securities included in the Company portfolio. As of 31 December 2011, if there is a 10% increase/decrease in the best bid among current orders pending at the Istanbul Stock Exchange which are used in valuation of these securities with other variables remaining constant, the Company’s equity will be higher/lower by a total of TL 182.467, net, without any effect in profit/loss (31 December 2010 – TL 225.042) (Note 4).

vii. 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 product and 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.

24. Nature and Extent of Risk Arising from Financial Instruments (continued)

vii. Capital Risk Management (continued)

The general strategy of the Company has not changed with respect to that of the prior year. As of 31 December 2011 and 31 December 2010, the ratio of the total capital to total debts, net, is as follows (TL):

	31 December 2011	31 December 2010
Total debt	6.922.120	17.450.899
Less: cash and cash equivalents	(22.344.119)	(39.813.703)
Net debt	(15.421.999)	(22.362.804)
Total equity	227.881.022	198.421.870
Debt/Equity Ratio	(7%)	(11%)

The change in debt/equity ratio arises from the liquidity surplus of the Company.

25. Financial Instruments (Disclosures on Fair Value and Hedge Accounting)

Financial Instruments

Financial instruments comprise financial assets and financial liabilities. Financial instruments may create/affect/decrease liquidity risk, credit risk and stock market risk in the financial statements of the Company. All financial assets are reviewed to prevent impairment risk.

Fair value is the value of an asset or liability in an arms length transaction between willing and knowledgeable parties.

The Company has determined the fair value of its financial instruments by using current market information at present and by using appropriate valuation methods. However, assessing market information and forecasting actual values requires judgment. The forecasts presented as a conclusion may not always represent the values that are acquired by the Company in current market transactions.

25. Financial Instruments (Disclosures on Fair Value and Hedge Accounting) (continued)

Methods and assumptions used to estimate the fair value of financial instruments are as follows:

Financial Assets

Balances denominated in foreign currency are translated by using the exchange rates valid at the balance sheet date. It is foreseen that these balances are close to their carrying values. The fair values of certain financial assets, which also include cash and cash equivalents, are considered to approximate their carrying values due to their short term nature.

The carrying values of trade receivables along with the related allowances for uncollectability are estimated to represent their fair values.

The fair values of investments held to maturity are calculated by deducting impairment losses, if any, from the cost values amortized by the effective interest method.

The fair values of financial assets which are available for sale and traded in active markets correspond to the best bid among current orders pending at the balance sheet date. The fair values of financial assets available for sale which are not traded in active markets cannot be determined reliably; hence, they are assumed to be equivalent to their restated cost values.

Financial Liabilities

Trade payables have been presented at their fair values.

26. Events After the Reporting Period

The termination indemnity upper limit which stood at 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 2.517,01).

27. Other Issues Materially Affecting the Financial Statements or Requiring Disclosure for a Proper Interpretation and Understanding of the Financial Statements

Insurance totals of assets for the respective periods are as follows (Notes 7,8 and 9);

31 December 2011	TL 98.867.696
31 December 2010	TL 94.729.818

28. Additional Information

As of 31 December 2011 and 31 December 2010, conformity with the portfolio restrictions is monitored as follows:

	Main Account Items of Unconsolidated (Separate) Financial Statements	Related Financial Arrangement	Current Period (TL) 31 December 2011	Prior Period (TL) 31 December 2010
A	Money Market and Capital Market Instruments	Serial VI, No : 11, Art. 27/(b)	129.244.498	128.444.607
B	Real estates, real estate projects and rights supported by real estates	Serial VI, No : 11, Art. 27/(a)	95.377.244	79.921.012
C	Affiliates	Serial VI, No : 11, Art. 27/(b)	1.696	1.696
	Due from Related Parties (Non-Trade)	Serial VI, No : 11, Art. 24/(g)	-	-
	Other Assets		10.179.703	7.505.454
D	**Total Assets**	Serial VI, No : 11, Art. 4/(i)	**234.803.141**	**215.872.769**
E	Financial Liabilities	Serial VI, No : 11, Art. 35	-	-
F	Other Financial Liabilities	Serial VI, No : 11, Art. 35	-	-
G	Lease Obligations	Serial VI, No : 11, Art. 35	-	-
H	Due to Related Parties (Non-Trade)	Serial VI, No : 11, Art. 24/(g)	-	-
I	Equity	Serial VI, No : 11, Art. 35	227.881.022	198.421.870
	Other Liabilities		6.922.119	17.450.899
D	**Total Liabilities and Equity**	Serial VI, No : 11, Art. 4/(i)	**234.803.141**	**215.872.769**
	Other Unconsolidated (Separate) Financial Data	**Related Financial Arrangement**	**Current Period (TL) 31 December 2011**	**Prior Period (TL) 31 December 2010**
A1	Part of Money Market Instruments and Capital Market Instruments Held for Real Estates (3 Years)	Serial VI, No : 11, Art. 27/(b)	-	-
A2	Time and Demand Deposits in TL/Foreign Currency	Serial VI, No : 11, Art. 27/(b)	21.455.521	22.987.049
A3	Foreign Capital Market Instruments	Serial VI, No : 11, Art. 27/(c)	-	-
B1	Real estates, real estate projects and rights supported by real estates	Serial VI, No : 11, Art. 27/(c)	-	-
B2	Lands Held Idle	Serial VI, No : 11, Art. 27/(d)	19.427.279	19.427.279
C1	Foreign Investments	Serial VI, No : 11, Art. 27/(c)	-	-
C2	Participation in the Operating Company	Serial VI, No : 11, Art. 32/A	1.696	1.696
J	Non-cash Loans	Serial VI, No : 11, Art. 35	2.308.255	2.057.378
K	Pledge amount on lands to be administrated for projects and the property of which does not belong to the company	Serial VI, No : 11, Art. 25/(n)	-	-

28. Additional Information (continued)

As of 31 December 2011 and 31 December 2010, conformity with the portfolio restrictions is monitored as follows (continued):

	Portfolio Limitations	Related Financial Arrangement	Current Period (TL) 31 December 2011	Prior Period (TL) 31 December 2010	Ratio of Minimum/ Maximum
1	Pledge amount on lands to be administrated for projects and the property of which does not belong to the company	Seri VI, No : 11, Md. 25/(n)	0,00%	0,00%	10%
2	Real estates, real estate projects and rights supported by real estates	Seri VI, No : 11, Md. 27/(a), (b)	40,62%	37,02%	50%
3	Money Market and Capital Market Instruments and Subsidiaries	Seri VI, No : 11, Md. 27/(b)	55,04%	59,50%	50%
4	Real estates, real estate projects and rights supported by real estates, Subsidiaries, Capital Market Instruments	Seri VI, No : 11, Md. 27/(c)	0,00%	0,00%	49%
5	Lands Held Idle	Seri VI, No : 11, Md. 27/(d)	8,27%	9,00%	20%
6	Participation in the Operating Company	Seri VI, No : 11, Md. 32/A	0,00%	0,00%	10%
7	Borrowing Limit	Seri VI, No : 11, Md. 35	1,01%	1,04%	500%
8	Time and Demand Deposits in TL/Foreign Currency	Seri VI, No : 11, Md. 27/(b)	9,14%	10,65%	10%

With the Communiqué Serial: VI, No: 29 issued in the Official Gazette dated 28.07.2011, the Article 27(d) of the Communiqué Serial: VI, No: 11 on Principles Regarding Real Estate Investment Companies has been amended as follows:
"The rate of lands and registered lands which are in the portfolio but which, in spite of a period of five years having elapsed from their acquisition, have not been administrated for any project development cannot exceed 20% of the total assets."
As per the financial statements as of 31 December 2011, the ratio of Company's plots of land to the total assets is 8,27% which is a rate that falls below the limit stated in the Communiqué.

With the same Communiqué, the Article 27(a) of the Communiqué Serial: VI, No: 11 on Principles Regarding Real Estate Investment Companies has been amended as follows:
"Companies are required to invest in real estates, rights supported by real estates and real estate projects in the ratio of at least 50 % of their total assets." The said rate in the communiqué prior to the amendment was also 50%; however, the terms "portfolio value" and "net asset value" have been replaced with the terms "portfolio" and "total assets", respectively. For that reason, the rate which stood as 58,7% in the portfolio chart of 30 June of 2011 has subsequently been regarded as 40,62% as stated in 31 December of 2011 the financial statements. Although this rate is below the limit of 50%, a grace period has been granted until 31 December of 2012 by the provisional article 7(3) added to the Communiqué in order to allow time for the companies to adapt to the portfolio restrictions.

Furthermore, with the same Communiqué, the Article 27(b) of the Communiqué Serial: VI, No: 11 on Principles Regarding Real Estate Investment Companies has been amended as follows:
"The Companies can invest totally in assets defined in paragraph (a) of Article 25 herein and in subsidiaries defined in Article 32/A of this Communiqué, at a maximum rate of 50% of their portfolios."
The said rate in the communiqué was also 50% prior to the amendment; however, the terms "portfolio value" and "net asset value" have been replaced with the terms "portfolio" and "total assets", respectively. For that reason, the rate which stood as 41,3% in the portfolio chart of 30 June of 2011 has subsequently been regarded as 55,04% as stated in 31 December of 2011 the financial statements. Although this rate is above the limit of 50%, a grace period has been granted until 31 December of 2012 by the provisional article 7(3) added to the Communiqué in order to allow time for the companies to adapt to the portfolio restrictions.

The article 27 (b) of the said communiqué promulgates that "The companies can invest in time deposit and demand deposits in Turkish Liras or any foreign currency for investment purposes at a maximum rate of 10% of their total assets". As per 31 December of 2011 financiall statements, this rate is 9,14% and it conforms to the portfolio restrictions. The borrowing limit and the rates of participation in the operating company are also contained within the said limits. There is no other limitations in the Company.