

DOĐUŞ GAYRİMENKUL YATIRIM ORTAKLIĐI A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS**

AT 31 DECEMBER 2014

TOGETHER WITH INDEPENDENT AUDITOR’S REPORT

(ORIGINALLY ISSUED IN TURKISH)

DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

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DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)****AS OF 31 DECEMBER 2014**

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

	Notes	Audited 31 December 2014	Audited 31 December 2013
ASSETS			
CURRENT ASSETS		57,371,102	40,720,087
Cash and cash equivalents	4	46,369,836	27,097,516
Financial investments	5	8,150,121	13,174,427
Trade receivables			
- <i>Trade receivables from related parties</i>	7,29	133,226	42,226
- <i>Trade receivables from third parties</i>	7	2,215,523	233,378
Other receivables			
- <i>Other receivables from related parties</i>	8,29	67,540	-
- <i>Other receivables from third parties</i>	8	278,076	148,832
Prepaid expenses	9	104,225	5,268
Current income tax assets	10	34,430	13,981
Other current asset	17	18,125	4,459
NON-CURRENT ASSETS		699,248,913	679,607,117
Investment properties	11	697,337,714	678,972,909
Tangible assets	12	1,338,931	502,715
Intangible assets	13	165,125	125,580
Prepaid expenses	9	395,439	-
Other non-current assets	17	11,704	5,913
TOTAL ASSETS		756,620,015	720,327,204
LIABILITIES			
CURRENT LIABILITIES		24,896,112	20,172,084
Short-term portion of long-term financial liabilities	6	18,644,553	17,379,724
Trade payables			
- <i>Trade payables to related parties</i>	7,29	810,773	21,207
- <i>Trade payables to third parties</i>	7	966,134	177,748
Liabilities for employee benefits	15	30,449	24,998
Other payables			
- <i>Other payables to related parties</i>	8,29	128,935	-
- <i>Other payables to third parties</i>	8	74,475	59,103
Deferred income	9	214,697	-
Short term provisions			
- <i>Provisions for employee benefits</i>	16	2,896,302	2,179,039
Other current liabilities	17	1,129,794	330,265
NON-CURRENT LIABILITIES		75,383,489	95,644,519
Financial liabilities	6	75,124,583	95,588,480
Other payables	8	184,908	-
Provision for employee termination benefits	16	73,998	56,039
EQUITY		656,340,414	604,510,601
Share capital	19	227,208,155	227,208,155
Restricted reserves		245,372	245,372
Share issue premium		223,452,917	223,452,917
Remeasurement of employee benefits		20,626	19,058
Retained earnings		153,585,099	131,669,832
Net profit for the period		51,828,245	21,915,267
TOTAL LIABILITIES		756,620,015	720,327,204

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

DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
AS OF 31 DECEMBER 2014**

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

	Notes	Audited 31 December 2014	Audited 31 December 2013
Revenue	20	46,461,603	15,775,892
Cost of sales (-)	20	(6,625,196)	(2,298,770)
Gross Profit		39,836,407	13,477,122
General administrative expenses (-)	21	(6,320,305)	(7,207,567)
Net gain from fair value adjustments on investment properties		20,396,094	22,095,355
Other operating income	22	87,254	35,319
Other operating expenses(-)	22	(844,446)	-
Profit From Operations		53,155,004	28,400,229
Income from investing activities	23	1,934,429	1,387,570
Expenses from investing activities	23	(3,428,927)	-
Operating Profit Before Financial Expenses		51,660,506	29,787,799
Financial income	24	9,400,301	2,179,548
Financial expenses (-)	25	(9,232,562)	(10,052,080)
Operating Profit Before Financial Income/ (Expenses)		51,828,245	21,915,267
Tax income / (expenses)	27	-	-
Profit For The Period		51,828,245	21,915,267
Other comprehensive income		1,568	19,058
TOTAL COMPREHENSIVE INCOME		51,829,813	21,934,325
Earnings Per Share	28	0.2281	0.2292

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

DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013

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

	Paid-in capital	Share capital adjustments	Share premium	Remeasurement of employee benefits	Restricted reserves	Accumulated profit		Total equity
						Retained earnings	Net profit for the period	
Balance at 1 January 2013	93,780,000	-	-	-	245,372	94,217,346	37,452,486	225,695,204
Increase in capital	133,428,155	-	-	-	-	-	-	133,428,155
Per share premium	-	-	223,452,917	-	-	-	-	223,452,917
Transfers	-	-	-	-	-	37,452,486	(37,452,486)	-
Total comprehensive income	-	-	-	19,058	-	-	21,915,267	21,934,325
Balance at 31 December 2013	227,208,155	-	223,452,917	19,058	245,372	131,669,832	21,915,267	604,510,601
Balance at 1 January 2014	227,208,155	-	223,452,917	19,058	245,372	131,669,832	21,915,267	604,510,601
Transfers	-	-	-	-	-	21,915,267	(21,915,267)	-
Total comprehensive income	-	-	-	1,568	-	-	51,828,245	51,829,813
Balance at 31 December 2014	227,208,155	-	223,452,917	20,626	245,372	153,585,099	51,828,245	656,340,414

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

DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013**

(Amounts expressed as Turkish Lira ("TL") unless otherwise stated)

	Notes	Audited 1 January - 31 December 2014	Audited 1 January - 31 December 2013
Cash flows from operation activities			
Net profit for the period		51,828,245	21,915,267
Adjustments to:			
Depreciation expense for tangible assets	12	424,435	177,587
Amortization expense for intangible assets	13	15,896	12,274
Adjustments related with interest income and expenses		2,690,976	836,629
Adjustments related with provisions		2,038,381	2,076,120
Provisions for doubtful receivables		(755,001)	-
Change in fair value of investment property		(20,396,094)	(22,095,355)
Impairment on non-financial assets		3,431,398	-
Unrealised exchange gain		(3,908,215)	7,304,070
Operating profit before the changes in working capital		35,370,021	10,226,592
Increase in trade receivables		(1,318,144)	(107,410)
(Inrease)/decrease in other current and non-current assets		(731,086)	16,523
Increase/(decrease) in trade payables		1,577,952	48,751
Increase/(decrease) in other liabilities		1,348,892	(462,409)
Personnel premium paid		(1,301,591)	-
Other cash outflow			(16,144)
Net cash provided by operating activities		34,946,044	9,705,903
Cash flows from investing activities			
Purchase of investment properties	11	(1,397,638)	(6,571,804)
Financial investments		3,089,877	1,988,888
Purchase of tangible assets	12	(1,263,122)	(4,527)
Purchase of intangible assets	13	(55,441)	(11,615)
Interest received		1,934,430	1,294,922
Net cash provided by investing activities		2,308,106	(3,304,136)
Cash flows from financing activities			
Repayment of bank borrowings		(17,182,375)	-
Interest received		2,439,026	-
Interest paid		(3,249,298)	(2,272,393)
Net cash provided by financing activities		(17,992,647)	(2,272,393)
Net increase on cash and cash equivalents before effect of foreign exchange rate		19,261,503	4,129,374
Effect of foreign exchange rate on cash and cash equivalents		(58,650)	187,151
Increase in cash and cash equivalents		19,202,853	4,316,525
Cash and cash equivalents at the beginning of the period		26,919,725	22,603,200
Cash and cash equivalents at the end of the period	4	46,122,578	26,919,725

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

DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(Amounts expressed as Turkish Lira ("TL") unless otherwise stated.)

1. COMPANY'S ORGANISATION AND NATURE OF OPERATIONS

Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş. ("Company") has been incorporated in accordance with capital market law on 25 July 1997.

Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş.'s (the "Company") which is traded on the Istanbul Stock Exchange, main activity is to invest in properties, create, manage, make the necessary changes in the portfolio, minimize the risk of variation in real estate; property related capital market instruments, invest and monitor continuously the real estate based projects and take the necessary measures to protect, also research to increase the value of the portfolio.

The headquarter of the Company is registered in Doğuş Center Maslak, Maslak Mahallesi Ahi Evran Cad.No:4/23 Maslak-İstanbul.

The shareholders structure and information on their shares of the Company are as follows as of 31 December 2014 and 31 December 2013:

Shareholder	Class	Type	31 December 2014	31 December 2013
			Share rate (%)	Share rate (%)
Doğuş Holding A.Ş. (Non-public)	A	Registered	0.83	0.83
Doğuş Holding A.Ş. (Non-public)	B	Bearer	15.43	15.43
Doğuş Holding A.Ş. (Public-partial spin off)	B	Bearer	58.24	58.24
Doğuş Turizm Sağlık Yat. ve İşl. San. Tic. A.Ş. (Public-partial spin off)	B	Bearer	0.48	0.48
Public	B	Bearer	25.02	25.02
Total			100	100

The number of personnel of the Company with respect to education level is as follows:

	31 December 2014	31 December 2013
Post graduate	2	2
Undergraduate	7	7
Other	3	2
	12	11

Approval of financial statements

The financial statements for the financial period of 31 December 2014 have been approved by the Board of Directors on 19 February 2015.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2014**

(Amounts expressed as Turkish Lira ("TL") unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

a Financial statements of preparation

The Company, the accounting records and the statutory financial statements in preparing the CMB issued by the principles and conditions of the Turkish Commercial Code ("TCC"), tax legislation and the Ministry of Finance issued by the Uniform Chart of Accounts complies with the requirements. The financial statements have been prepared on the basis of historical cost, to the legal records for the purpose of fair presentation in accordance with IAS adjustments and reclassifications are reflected.

The financial statements for the financial period of 31 December 2014 have been approved by the Board of Directors on 19 February 2015.

b Financial Reporting Standards

The accompanying consolidated financial statements are prepared in accordance with Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué, consolidated financial statements are prepared in accordance with the Turkish Accounting Standards issued by Public Oversight Accounting and Auditing Standards Authority ("POAASA"). TAS contains Turkish Accounting Standards, Turkish Financial Reporting Standards ("TFRS") and its addendum and interpretations ("IFRIC").

Adjustment of financial statements in periods of high inflation

Inflation accounting application is terminated for the companies operating in Turkey and preparing their financial statements in accordance with the provisions of the CMB according to the decision taken by CMB dated on 17 March 2005 and numbered 11/367, to be effective from 1 January 2005. Accordingly, "Financial Reporting in Hyperinflationary Economies" Standard ("IAS 29") published by the Public Oversight Agency, did not apply as from 1 January 2005

Functional and presentation currency

These financial statements are presented in Turkish Lira ("TL"), which is the Company's functional currency. All financial information is presented in TL unless otherwise stated.

Offsetting

Financial assets and liabilities are offset, as is the net amount reported in the financial statements when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Going concern

Company's financial statements are prepared under the going concern assumption.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2014**

(Amounts expressed as Turkish Lira ("TL") unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Control of compliance with the portfolio limitations

As of 31 December 2014, presented information in: 'Additional Note: control of compliance with the portfolio limitations', in accordance with Capital Markets Board's Communiqué Serial: II, No: 14.1 "Financial Reporting in Capital Markets" Amendment No: 16 comprised condensed information and prepared in accordance with Capital Markets Board's Communiqué Serial: III, No: 48.1 "Real Estate Investment Company" published in the Official Gazette dated 28 May 2013 numbered 28660 and Capital Markets Board's Communiqué Serial: III, No: 48.1a "Amendment on Real Estate Investment Company" published in the Official Gazette dated 23 January 2014 numbered 28891.

The additional note for "Compliance control of the portfolio restrictions" is prepared according to the complying financial statements.

2.2 Critical accounting estimates, assumptions and judgments

The preparation of the financial statements in conformity with Communiqué No: I-14.1 requires the use of assumptions and estimates that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues expenses which are reported throughout the period. Even though, these assumptions and estimates rely on the best estimates of the Company management; the actual results might differ from them.

The basis of estimates and assumptions are reviewed continuously and the estimates update according to updates .

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below:

The fair value measurement of investment property

In the financial statements, principal assumptions used in valuation reports during the finding fair values of real estates classified as investment property are explained below.

DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(Amounts expressed as Turkish Lira ("TL") unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

31 December 2014	Valuation report date	Valuation method	Discount rate(*)	Rent increase rate p.a	Capitalization rate	Valuation market m ² value in TL (full)
Antalya 2000 Shopping Mall	29 December 2014	Sale comparison	-	-	-	1,988
Gebze Center Shopping Mall	31 December 2014	Discounted cash flow	9.50%	6.00%	8.00%	-
Gebze Land/ Project (**)	31 December 2014	Discounted cash flow	10.50%	-	-	-
Maslak Doğuş Power Center	29 December 2014	Discounted cash flow	10.50%	3.00%	7.00%	-

31 December 2013	Valuation report date	Valuation method	Discount rate(*)	Rent increase rate p.a	Capitalization rate	Valuation market m ² value in TL (full)
Antalya 2000 Shopping Mall	27 December 2013	Sale comparison	-	-	-	1,857
Gebze Center Shopping Mall	25 February 2014	Discounted cash flow	10,00%	6,00%	9,00%	-
Maslak Doğuş Power Center	27 December 2013	Discounted cash flow	10,50%	3,00%	7,00%	-

(*) Discount rates are based on the currency in which the majority of cash flows are denominated for each investment property. In Turkey Euro and USD are commonly used in rent agreements.

(**) According to the valuation report prepared by Reel Gayrimenkul Değerleme A.Ş., Gebze Land/Project valuated separately from the Gebze Shopping Mall by reason of the commencement of the Gebze Land of project development and transferred from operating investment property to investment properties under development as of 31 December 2014.

Antalya 2000 Shopping Mall

Antalya 2000 Shopping Mall is classified under investment property as of 31 December 2014 and 31 December 2013 in the financial statements. Antalya 2000 Shopping Mall located on the 6,977 m² land, No.1 parcel, Muratpaşa district, Haşimişcan district, 10,479 islands. Management of the Mall is conducted by Antalya 2000 Plaza Management.

Based on Elit Gayrimenkul Değerleme A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No:1 Communiqué, dated 29 December 2014 with the report number 2014/7861 the aforementioned property's fair value is TL 13,868,000 as at 31 December 2014 according to sales comparison method (31 December 2013: fair value TL 12,959,000).

Gebze Center Shopping Mall

Gebze Center Shopping Mall is classified under investment property as of 31 December 2014 and 31 December 2013 in the financial statements. Gebze Center Shopping Mall located on the 59,053 m² land, No.22 parcel, Province of Kocaeli, Gebze district, Sultanorhan district, 5678 islands. Management of the Mall is conducted by Pam Mülk Yönetim Hizmetleri Ltd.Şti.

Based on Elit Gayrimenkul Değerleme A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No:1 Communiqué, dated 31 December 2014 with the report number DGS-141001 the aforementioned property's fair value is TL 462,985,000 as at 31 December 2014 according to discounted cash flow (31 December 2013: fair value TL 460,748,000).

DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(Amounts expressed as Turkish Lira ("TL") unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Gebze Land/ Project

Gebze Land/ Project is classified under investment property as of 31 December 2014 and 31 December 2013 in the financial statements. Gebze Land located Province of Kocaeli, Gebze district, Sultanorhan district, 5,678 islands, total of 1,800 m² on the No.24 parcel.

Based on Elit Gayrimenkul Değerleme A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No:1 Communiqué, dated 31 December 2014 with the report number DGS-141001 the aforementioned property's fair value is TL 3,174,000 as at 31 December 2014 according to discounted cash flow (31 December 2013:None).

Doğuş Center Maslak

Doğuş Center Maslak Company is classified under investment property as of 31 December 2014 and 31 December 2013 in the financial statements. Doğuş Center Maslak located in province of İstanbul, Sarıyer district, Ayazağa district, 1 islands, total of 63,202 m² on the No.131 parcel. Management of the Mall is conducted by Doğuş Center Maslak Management.

Based on Elit Gayrimenkul Değerleme A.Ş.'s valuation report in accordance with Capital Markets Board's Serie: IV No:1 Communiqué, dated 31 December 2014 with the report number 2014/7860 the aforementioned property's fair value is TL 213,465,000 as at 31 December 2014 according to discounted cash flow (31 December 2013: 199,200,000).

2.3 Changes in accounting policies, estimates

Company has been performed reviews in the current period which is issued by Turkey Accounting Standards Board (TASB) and TASB Turkey Financial Reporting Interpretations Committee (IFRIC) and is valid for the period of the year beginning on 1 January 2014 the new and revised IAS / IFRS on the amendments and interpretations of the Company in changes that impact on the financial statements.

2.3.1. Changes in International Financial Reporting Standards

The Company applied the new and revised standards and interpretations which were published by Public Oversight Accounting and Auditing Standards Authority and valid by 1 January 2014 if those are applicable for its own operations.

a) New standards, amendments and TFRICs effective after 1 January 2014

- Amendment to TAS/IAS 32, 'Financial instruments: Presentation', on offsetting financial assets and financial liabilities, effective from annual periods beginning on or after 1 January 2014. This amendment updates the application guidance in TAS/IAS 32, 'Financial instruments: Presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. The amendments has no effect on the Company's financial statement.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2014**

(Amounts expressed as Turkish Lira ("TL") unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS(Continued)

- Amendments to TAS /IAS 36, 'Impairment of assets', effective from annual periods beginning on or after 1 January 2014. These amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The amendments has no effect on the Company's financial statement.
- Amendment to TAS/IAS 39 'Financial instruments: Recognition and measurement', on novation of derivatives and hedge accounting, effective from annual periods beginning on or after 1 January 2014. These narrow-scope amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. The amendments has no effect on the Company's financial statement.
- TFRIC/IFRIC 21, 'Levies', effective from annual periods beginning on or after 1 January 2014. This interpretation is on TAS /IAS 37, 'Provisions, contingent liabilities and contingent assets'. TAS /IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The amendments has no effect on the Company's financial statement.
- Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation, effective from annual periods beginning on or after 1 January 2016. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.

b) New TFRS standards, amendments and TFRICs effective after 1 January 2015

- Amendments to TFRS/IFRS 10, 'Consolidated financial statements', TFRS/IFRS 12 and TAS/IAS 27 for investment entities, effective from annual periods beginning on or after 1 January 2014. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an 'investment entity' definition and which display particular characteristics. Changes have also been made TFRS/IFRS 12 to introduce disclosures that an investment entity needs to make.
- Annual improvements 2012; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2012 cycle of the annual improvements project, that affect 7 standards:
 - TFRS/IFRS 2, 'Share-based payment'
 - TFRS/IFRS 3, 'Business Combinations'
 - TFRS/IFRS 8, 'Operating segments'
 - TFRS/IFRS 13, 'Fair value measurement'
 - TAS /IAS 16, 'Property, plant and equipment' and TAS /IAS 38, 'Intangible assets'
 - Consequential amendments to TFRS/IFRS 9, 'Financial instruments', TAS/IAS 37, 'Provisions, contingent liabilities and contingent assets', and
 - TAS /IAS 39, Financial instruments – Recognition and measurement'

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2014**

(Amounts expressed as Turkish Lira ("TL")) unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Annual improvements 2013; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2011-12-13 cycle of the annual improvements project, that affect 4 standards:

- TFRS 1/IFRS 1 'First time adoption'
 - TFRS/IFRS 3, 'Business combinations'
 - TFRS/IFRS 13, 'Fair value measurement' and
 - TAS/IAS 40, 'Investment property'
- TFRS/IFRS 9 'Financial instruments', effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in TAS/ IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model. The Company does not adopt this standart earlier.
- Amendment to TAS/IAS 16, 'Property, plant and equipment' and TAS/IAS 38, 'Intangible assets', on depreciation and amortisation, effective from annual periods beginning on or after 1 January 2016. In this amendment the it has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. It is also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. The Company does not adopt this standart earlier.
- Amendment to TAS/IAS 19 regarding defined benefit plans, effective from annual periods beginning on or after 1 July 2014. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The Company does not adopt this amendment earlier.

Annual improvements 2014, effective from annual periods beginning on or after 1 January 2016. These set of amendments impacts 4 standards:

- TFRS/IFRS 5, 'Non-current assets held for sale and discontinued operations' regarding methods of disposal.
- TFRS/IFRS 7, 'Financial instruments: Disclosures', (with consequential amendments to IFRS 1) regarding servicing contracts.
- TAS/IAS 19, 'Employee benefits' regarding discount rates.
- TAS/IAS 34, 'Interim financial reporting' regarding disclosure of information

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(Amounts expressed as Turkish Lira ("TL") unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 International financial reporting standards change and Comperative information and reclassifications in the previous period's financial statements.

2.4.1 Comperative information and reclassifications in the previous period's financial statements

The Company's financial statements have been prepared comparatively with the prior period in order to allow determination of the financial position and performance trends. Reclassifications can be made in comparative informations in order to conform with the presentation of the current period financial statements.

As of 31 December 2014 financial statements have been presented as comparative with prior period as of 31 December 2013.

In accordance the CMB decision on 7 June 2013 and 20/670, CMB Financial Reporting Standards and the new context of the financial statements to be prepared notes formats released in 7 June 2013 and the CMB Bulletin No. 2013/19. According to these formats, comparison as given in the accompanying financial statements have been made various classifications to be consistent with the current period financial statements.

Classifications made in the Company's balance sheet and income statement as of 31 December 2013 restated as follows:

- a) Prepaid taxes and funds which were previously classified under "Other current assets" amounting to TL 13,981 as of 31 December 2013 has been reclassified under "Current income tax assets".
- b) Social security premiums payable which were previously classified under "Other current liabilities" amounting to TL 24,589 and payables to personnel amounting to TL 409 as of 31 December 2013 has been reclassified under "Liabilities for employee benefits."

2.5. Summary of significant accounting policies

Significant accounting policies applied during the preparation of the consolidated financial statements are summarised as follows:

2.5.1. Incomes and Expenses accounting

Sales Revenue

Revenue is rental income that have generated from investment property. Rental income is recognised in profit or loss on accrual basis.

Interest income

Interest income is recognised in profit or loss on accrual basis.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5.2. Investment Property

Investment Property

Investment properties comprise of operating investment properties and investment properties under development.

Operating investment properties

Investment properties are those which are held either to rent income or capital appreciation or for both. Operating investment property is represented to the financial statements at fair values by the determination of competent independent appraisal company. Gain or loss arising from changes in fair value of investment properties is included in the net profit / loss at current period.

Investment property under development

In accordance with the change IAS 40 that became effective after the periods starting from 1 January 2009; the construction in progresses are measured by their fair values if the fair value model is applied. In case the fair value of the construction in progress can not be reliably measured, the investment properties are measured by their cost until the fair value is reliably measured or the construction is completed.

2.5.3. Tangible Assets

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

Depreciation is calculated over of the cost of property and equipment using the straight-line method based on expected useful lives (Note 12).

The expected useful lives are stated below:

Tangible assets	Expected useful life(year)	Amortization rate (%)
Furniture and fixture	4-15	%6.67-%25
Leasehold improvements	5	%20

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

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

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

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5.4. Intangible assets

Intangible assets include computer software and other rights. They are recorded at acquisition cost. And from the date of acquisition over the estimated useful lives of 15 years are amortized using the straight-line method(Note:13).

Estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

2.5.5. Borrowing costs

Borrowing costs directly attributable to the acquisition of a qualifying asset as part of the cost of that asset are capitalized over the respective assets. Other borrowing costs are recognized in the comprehensive income statement in the period they incur.

2.5.6. Financial instruments

Classification

The Company has the following financial assets, cash and cash equivalents and trade receivables; and has the following financial liability, trade payables.

i) Non-derivative financial assets

The company, its assets are recognized at the date they are incurred. All other financial assets, the transaction date that becomes a party to the conditions of the contract regarding the Company's financial instruments are recognized. When the company transferred the assets with the relevant contract in accordance with the resulting cash flows related rights expired or related rights of ownership of all of the risks and rewards associated with the assets in a purchase and sale transactions in question is to remove the financial asset register. All kinds created or retained financial assets transferred by the Company is recognized as a separate asset or liability.

Non-derivative financial assets that can be directly attributable to the statement of financial position and transaction costs are recognized at fair value. Subsequent to initial recognition, subsequent period of financial assets are measured as described below.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash, bank deposits with maturity periods of less than three-months and other highly liquid short-term investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. The carrying values of these assets are close to their fair values.

**NOTES TO THE FINANCIAL STATEMENTS
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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss is divided into three subgroups: “Financial assets held for trading”, “Financial assets at fair value through profit or loss” and “Derivative financial assets held for trading”.

Financial assets at fair value through profit or loss are generally acquired for the purpose of selling in the short term in order to acquire revenue from fluctuations in the market.

Financial assets at fair value through profit or loss are reflected to statement of financial position with their cost value and then measured at fair value. Difference between cost and fair values is included in profit/loss accounts.

Available for sale financial assets

Available for sale financial assets are the financial assets other than assets held for trading purposes, financial assets at fair value through profit or loss, held to maturity financial assets and loans and receivables.

Available-for-sale financial assets are subsequently measured at their fair values. Unrecognised gains or losses derived from the difference between their fair value and the discounted values calculated per effective interest rate method are recorded in “Fair value reserve” under shareholders’ equity. In case of sales, the realised gain or losses are recognised directly in the statement of operations. When equity investments are disposed of, any resulting gain or loss is recognised in profit or loss as the difference between the sales price and the carrying amount of the investment.

Investments held to maturity

Investments held to maturity are the investments, for which there is an intention of holding until maturity and the relevant conditions for fulfillment of such intention, including the funding ability, and for which there are fixed or determinable payments with fixed maturity; and which are recognized at fair value at initial recognition. Investments held to maturity with the initial recognition at fair value including transaction costs are subject to valuation with their discounted cost value by using the internal rate of return method less provision for any impairment, if any.

Interest income from investments held to maturity are recognized in the income statement as an interest income.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Impairment of financial instruments

Financial assets at fair value through profit or loss, a financial asset or group of financial assets at the end of each reporting period whether there are indicators of impairment are assessed. After the initial recognition of a financial asset of one or more events to occur and where there is a financial asset or group of assets that can be reliably estimated as a result of the negative impact on the estimated future cash flows of the financial asset is impaired if there is objective evidence of impairment loss is recognized.

For receivables impairment, estimated future cash flows discounted at the financial asset's original effective interest rate is calculated by the difference between the carrying amount and the present value.

Carrying amount is reduced through the use of an allowance account all financial assets with the exception of trade receivables, impairment loss directly deducted from the carrying amount of the financial asset. Trade receivables can not be collected, the amount deducted from the reserve account will be deleted. Changes in the allowance account are recognized in profit or loss for the period.

The exception of available for sale equity equity instruments, in a subsequent period the impairment loss decreases and the decrease related to an event occurring after the impairment loss is recognized, the previously recognized impairment loss for the investment at the date the impairment is reversed if the impairment is recognized in no time to reach does not exceed the amortized cost of in the income statement will be canceled.

Available-for-sale equity securities, any increase in fair value subsequent to an impairment loss recognized directly in equity.

Recognition and derecognition of financial assets and liabilities

The Company's financial assets and liabilities, is a party to the contractual provisions of the financial instrument if the statement of financial position reflects. All or part of the Company's financial assets, are subject only when it loses control over the contractual rights that removes records. The Company's financial liabilities are eliminated, but the obligation specified in the contract, canceled or expires releases the records.

Trade receivables

Trade receivables are recognized as net invoice value after deduction of provisions for doubtful receivables are carried at. The carrying values of trade receivables net of allowance for doubtful receivables considered to approximate their fair values due to the short-term nature. The collection of the receivable is estimated for the provision for doubtful receivables is made when it is not possible. Provision is made for doubtful receivables have been identified.

DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(Amounts expressed as Turkish Lira ("TL") unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Due from related parties

Close relatives of members of the Board of Directors and Senior Executives, and organisations that Company can able to control directly or indirectly are defined as related parties. Book value of receivables from related parties, close to its fair value.

ii) Non-derivative financial liabilities

Loans and borrowings

Loans and borrowings are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

Trade and other payable

Trade and other payable are recognised initially at fair value. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

iii) Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction in equity after tax effects.

2.5.7 Foreign Currency Transactions

Transactions in foreign currencies are translated into TL at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to TL at the exchange rate at that date. Gains or losses on translation of foreign currency denominated transactions to TL are recognised in profit of loss.

The exchange rates used by the Company are as follows:

	31 December 2014	31 December 2013
USD	2.3189	2.1343
EURO	2.8207	2.9365
Czech koruna	0.1018	0.1073

2.5.8 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**NOTES TO THE FINANCIAL STATEMENTS
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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5.9. Earning per share

Earnings per share are determined by dividing net comprehensive income by the weighted average number of shares that have been outstanding during the period concerned. Weighted average number of shares is number of ordinary shares at the beginning of the period and the number of shares issued during the period or taken back to a time-weight factor multiplied by the number of shares. The time-weight factor is the ratio of the number of days where a certain number of shares issued and total number of days in the period.

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

2.5.10. Subsequent events

Subsequent events represent the events that occur against or on behalf of the Company between the reporting date and the date when reporting was authorised for the issue. There are two types of subsequent events:

- those that provide evidence of conditions that existed as at reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

If there is evidence of such events as of reporting date or if such events occur after reporting date and if adjustments are necessary, the Company's financial statements are adjusted according to the new situation. The Company discloses the post-balance sheet events that are not adjusting events but material.

2.5.11. Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present implicit or legal obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the specified criteria are not met, the Company discloses the related issues in the notes.

If the inflow of economic benefits is probable, contingent assets are disclosed in the notes to the financial statements. If the inflow of the economic benefit is more than likely to occur, such asset and income statement effect are recognised in the financial statements at the relevant period that income change effect occurs.

**NOTES TO THE FINANCIAL STATEMENTS
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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5.12. Leases

Financial Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Fixed assets that are acquired through financial leasing are reflected at the statement through deducting the accumulated depreciation and impairment from the lowest version of the beginning of the lease discounted value of minimum lease payments at balance sheet date and the fair value of the goods subject to lease. Liabilities under finance leases, decreased by the payment of principal and interest payments are recorded as expense in the statement of comprehensive income.

Operational Leasing

Operational leasing transactions are recorded to comprehensive income statements in the period they have realized.

2.5.13. Related parties

- (a) A person or a relative of the subject person is considered as related party of the Company in such situations that are described as follows:

If the subject person,

- i) Has a sole control or jointly control over the Company,
- ii) Has a significant impact on or the authority to effect the Company,
- iii) Has a title in a key management personnel of the main Company or a parent company.

- (b) If any of the following conditions apply

- i) Entity and the company are the members of the same group,
- ii) Entity is the subsidiary or business partner of the other entity.
- iii) Both of the entities are the business partners of a third party.
- iv) One of the entities is a business partner of a third entity and the other entity is the subsidiary of the subject third party.
- v) Entity has utility plans for the personel of the Company or a related party of the Company after quitting the job, these sponsors are also considered as related party.
- vi) Entity is being controlled or jointly controlled by a person that is specified in (a),
- vii) Entity is affected majorly by a person that has the characteristics specified in (a)(i).

Transaction between related parties is the transfers between the reserves, service or the obligations without considering if there is a compensation or not.

2.5.14. Segment reporting

Segment reporting is designed as to supply consistence on reporting to the competent authority on taking decisions about the activities of the group. The competent authority is responsible for evaluation of the departments' performance and decision taking related to the resources which are to be allocated according to departments.

Since the Company operates only in the development of real estate, the Company does not prepare a segment reporting.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS(Continued)

2.5.15. Governments grants and incentives

As disclosed in Note 2.5.16, the Company which operates as a real estate investment trust, is exempt from corporate tax.

2.5.16. Taxation

According to Article 5/1(d) (4) of the New Corporate Tax Law No: 5520, the income of Real Estate Investment Trusts ("REIT") is exempt from Corporate Income Tax in Turkey. This exemption is also applicable to Quarterly Advance Corporate Tax.

Since the Company is exempt from Corporate Income Tax in Turkey in accordance with Article 5 of the Corporate Tax Law, deferred tax is not recognised.

2.5.17. Provision for employee termination benefits

Provision for the employee termination benefits shows the present value of total liabilities resulting from retirement of personnel in the future for the company in accordance with Turkish Labor Law. Under the Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement. The amount payable consists of one month's salary limited to a maximum of TL3.541 in full TL amount as of 31 December 2014 (31 December 2013: TL3.254).

Provision is related to fair value of defined benefit plan calculated with the method of estimated liability. All actuarial profit and losses are accounted under consolidate comprehensive income statement.

Provision is related to fair value of defined benefit plan calculated with the method of estimated liability. All actuarial profit and losses are accounted under comprehensive income statement. TFRS requires actuarial valuation methods to be developed to estimate the enterprise's obligation for such benefits. The liability for this unfunded plan recognized in the balance sheet is the full present value of the defined benefit obligation at the end of the reporting period, calculated using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows from the retirement of its employees using the long term TL interest rates.

The principal actuarial assumption is that the maximum liability will increase in line with inflation. Thus the effective discount rate applied represents the expected real interest rate after adjusting for the effects of future inflation. As the maximum liability amount is revised semi-annually by the authorities, the maximum amount of 3.541 full TL which is effective from 1 January 2015 has been taken into consideration when calculating the liability (1 January 2014: 3.438 full TL) as of 31 December 2014.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS(Continued)

According to IAS 19 which is updated KGK 's official gazette published on 12 March 2013 and 28585 the notification The Company's severance pay liability in actuarial assumptions in the calculation of changes or of the actuarial gains and losses due to differences between the realized with the actuarial assumptions at 1 January 2013 or after that date began the annual reporting period "profit or loss and other comprehensive income" in "Other comprehensive" income accounted.

2.5.18. Statements of cash flow

The Company presents statement of cash flows as an integral part of other financial statements to inform the users of financial statements about the changes in its net assets, its financial structure and its ability to manage the amount and timing of its cash flows under new conditions.

3. BUSINESS COMBINATIONS

The Company acquired Gebze Center Shopping Mall which belonged to Doğuş Gayrimenkul Yatırım ve İşletme A.Ş. and registered in the parcel number 20, block number 5,678 and G22B24B2A plot in Kocaeli province, Gebze district, Sultanorhan ward with the expert report for partially spin off dated 8 October 2013.

The regarding acquisition, was made in accordance with the equity method considering the equity amount TL 228,596,282 which had been disclosed in the financial statements of the Company for the period ended at 31 March 2013 and as a result of the valuation, it has been understood to increase the share capital amounting to TL133,428,155. The new shareholder structure after the capital increase is as follows:

	31 December 2013
Doğuş Holding	176,852,594
Doğuş Turizm Sağlık Yatırımları ve İşletmeciliği San. ve Tic. A.Ş.	1,095,653
Ferit Faik Şahenk	2,205,215
Filiz Şahenk	1,102,493
Public	45,952,200
Total	227,208,155

New capital stucture arising from partial spin-off was modified again by applying to Central Registry Agency pon 10 December 2013, making a portion of TL 10,900,000 from Doğuş Holding shares subject to sales in stock market and publicly listing the newly issued shares amounting to TL 133,428,155 (Note 19).

As a partial spin-off date, market value of the properties to be transferred was determined to be TL 462,358,055 ; debt of Doğuş Gayrimenkul Yatırım ve İşletme A.Ş.amounting to TL 105,476,983 as of reporting date was ofsetted from market value of the property and net market value of property was determined to be TL 356,881,072. The difference between net market value and nominal value of the shares issued amounting to TL 133,428,155 is TL 223,452,917 and this was recognised as share premium in the financial statements.

DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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4. CASH AND CASH EQUIVALENTS

As at 31 December 2014 and 31 December 2013, cash and cash equivalents are as follows:

	31 December 2014	31 December 2013
Cash	11,327	7,786
Banks- Demand deposits	38,379	24,229
Banks- Time deposits	46,320,130	22,526,668
Investment funds	-	4,538,833
Cash and cash equivalents in the financial position	46,369,836	27,097,516
Interest income accruals on cash equivalents	(247,258)	(177,791)
Cash and cash equivalents in the statement of cash flows	46,122,578	26,919,725

Demand deposits

As of 31 December 2014 and 31 December 2013, the details of demand deposits at banks are as follows:

	31 December 2014	31 December 2013
TL	38,379	24,229
Total	38,379	24,229

Time deposits

As of 31 December 2014 and 31 December 2013, the details of time deposits at banks are as follows:

31 December 2014	Amount (TL)	Nominal Interest rate (%)	Maturity
TL	14,750,347	9.50	29 January 2015
TL	10,730,110	10.10	7 January 2015
TL	7,598,576	10.00	5 January 2015
TL	5,488,473	7.50	2 January 2015
USD	3,653,715	2.50	3 February 2015
TL	2,000,548	10.00	3 February 2015
TL	1,365,280	7.50	2 January 2015
TL	733,081	7.50	2 January 2015
Total	46,320,130		

31 December 2013	Amount (TL)	Nominal Interest rate (%)	Maturity
TL	12,299,932	9.00	6 January 2014
USD	3,258,020	2.25	3 February 2014
TL	3,217,140	8.50	13 January 2014
TL	2,214,508	8.30	6 January 2014
TL	1,001,973	9.00	28 January 2014
TL	535,095	6.50	3 January 2014
Total	22,526,668		

DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**NOTES TO THE FINANCIAL STATEMENTS
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5. FINANCIAL INVESTMENTS

As at 31 December 2014 and 31 December 2013, the Company's financial investments are as follows:

31 December 2014	Cost	Fair value	Carrying value
Private sector bonds	7,981,171	8,091,172	8,091,172
Government sector bonds	58,360	58,949	58,949
Total	8,039,531	8,150,121	8,150,121

31 December 2013	Cost	Fair value	Carrying value
Private sector bonds	13,208,503	13,174,427	13,174,427
Total	13,208,503	13,174,427	13,174,427

Private sector bonds and government bonds held-for-trading as at 31 December 2014 having interest rates-between %7.96 - %12.18 (31 December 2013: %6.51 - %10.28).

The increase/(decrease) in fair value of financial assets are accounted under the investment income/(expenses).

6. FINANCIAL LIABILITIES

	31 December 2014	31 December 2013
Short- term portion of long term financial liabilities	18,644,553	17,379,724
Short- term portion of long term financial liabilities	18,644,553	17,379,724
Long- term financial liabilities	75,124,583	95,588,480
Long -term financial liabilities	75,124,583	95,588,480
Total financial liabilities	93,769,136	112,968,204

31 December 2014	Weighted average effective interest rate p.a (%)	Currency	Original balance	TL equivalent
Short term portion of long term financial liabilities	Euribor + 4.75%	Euro	6,609,903	18,644,553
Long term financial liabilities	Euribor + 4.75%	Euro	26,633,312	75,124,583
				93,769,136

DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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6. FINANCIAL LIABILITIES (Continued)

31 December 2013	Weighted average effective interest rate (%)	Currency	Original balance	TL equivalent
Short term portion of long term financial liabilities	Euribor + 4.75%	Euro	5,918,516	17,379,724
Long term financial liabilities	Euribor + 4.75%	Euro	32,551,841	95,588,480
				112,968,204

7. TRADE RECEIVABLES AND PAYABLES

As at 31 December 2014 and 31 December 2013, trade receivables of the Company are as follows:

	31 December 2014	31 December 2013
Trade receivables	3,185,940	448,794
Due from related parties (Note 29)	133,226	42,226
Provision for doubtful receivables	(970,417)	(215,416)
Balance at the end of the period	2,348,749	275,604

As at 31 December 2014 and 2013, provisions for doubtful receivables of the Company are as follows:

	2014	2013
Balance at 1 January	215,416	215,416
Additions	755,001	-
Balance at the end of the period	970,417	215,416

As at 31 December 2014 and 31 December 2013, trade payables of the Company are as follows:

	31 December 2014	31 December 2013
Other trade payables (*)	966,134	177,748
Due to related parties (Note 29) (**)	810,773	21,207
Total	1,776,907	198,955

(*) Other trade payables consist of the payable to suppliers.

(**) Due to related parties consist of loan guarantees commission payables amounting to TL 573,980 and other trade payables amounting to TL 236,793 as of 31 December 2014.

Long term trade payables

As at 31 December 2014, the Company does not have long term trade payables (31 December 2013: None).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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8. OTHER RECEIVABLES AND PAYABLES

As of 31 December 2014, other receivables consist of guarantees given amounting to 273,589 TL and other receivables amounting to 4,487 TL. (31 December 2013: other receivables amounting to TL 148, 832.)

As at 31 December 2014, other receivables from related parties is TL 67,540 (31 December 2013: None).

As at 31 December 2014, other payables comprise of deposits and guarantee received TL 74,475 (31 December 2013: TL 59,103).

As at 31 December 2014, other payables to related parties is TL 128,935 (31 December 2013: None).

As at 31 December 2014, other long term payables comprise of deposits and guarantee received TL 184,908 (31 December 2013: None).

9. PREPAID EXPENSES AND DEFERRED INCOME

As at 31 December 2014 and 31 December 2013, the details of prepaid expenses of the Company are as follows:

Short term prepaid expenses

	31 December 2014	31 December 2013
Prepaid commission expenses	96,869	-
Prepaid insurance expenses	7,356	5,268
Total	104,225	5,268

Long term prepaid expenses

	31 December 2014	31 December 2013
Prepaid commission expenses	395,439	-
Total	395,439	-

As at 31 December 2014 and 31 December 2013, the details of deferred income of the Company are as follows:

Short term deferred income

	31 December 2014	31 December 2013
Short term deferred income(*)	214,697	-
Total	214,697	-

(*) Short term deferred income consist of rent income received in advance.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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10. CURRENT INCOME TAX ASSETS

As at 31 December 2014 and 31 December 2013, the details of current income tax assets of the Company are as follows:

	31 December 2014	31 December 2013
Prepaid taxes and funds	34,430	13,981
Total	34,430	13,981

11. INVESTMENT PROPERTIES

As at 31 December 2014 and 31 December 2013, investment properties of the Company are as follows:

	31 December 2014	31 December 2013
Operating investment properties	690,318,000	672,907,000
Investment properties under development	7,019,714	6,065,909
Total	697,337,714	678,972,909

Operating investment property

The fair values of investment properties as at 31 December 2014 are as follows:

Description	Valuation method	Valuation report date	Fair value
Antalya 2000 Shopping Mall	"Sale comparison "	29 December 2014	13,868,000
Gebze Center Shopping Mall	"Discounted cashflow"	31 December 2014	462,985,000
Doğuş Center Maslak	"Discounted cashflow"	29 December 2014	213,465,000
Total			690,318,000

The fair values of investment properties as at 31 December 2013 are as follows:

Description	Valuation method	Valuation report date	Fair value
Antalya 2000 Shopping Mall	"Sale comparison"	27 December 2013	12,959,000
Gebze Center Shopping Mall	"Discounted cashflow"	25 February 2014	460,748,000
Maslak DPC	"Discounted cashflow"	27 December 2013	199,200,000
Total			672,907,000

DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(Amounts expressed as Turkish Lira ("TL") unless otherwise stated.)

11. INVESTMENT PROPERTIES (Continued)

As at 31 December 2014 and 2013, the movement of the investment properties are as follows:

	1 January - 31 December 2014	1 January - 31 December 2013
Beginning of the period - 1 January	672,907,000	183,709,000
Additions	188,906	467,102,645
Increase in fair value	17,222,094	22,095,355
End of the period - 31 December	690,318,000	672,907,000

As at 31 December 2014 and 31 December 2013, insurance amount on investment properties are as follows:

		31 December 2014	31 December 2013
Gebze Center AVM	Euro	91,077,144	91,077,144
Doğuş Center Maslak Building	Euro	34,043,042	34,337,215
Antalya 2000 Plaza	Euro	2,192,415	2,261,383
Total (*)		127,312,601	127,675,742

(*) As of 31 December 2014, total TL equivalent of insurance on investment properties is TL 359,110,654 (31 December 2013: TL 374,919,816 TL).

There is no mortgage or lien on the investment properties.

Investment Properties Under Development

Investment properties under development measured at fair value

As of 31 December 2014 ,the fair value of the investments properties under development in the financial statements is as follows:

Description	Valuation method	Valuation report date	Fair value
Gebze Land /Project	"Discounted cashflow"	31 December 2014	3,174,000
Total			3,174,000

As at 31 December 2014 and 31 December 2013 the movement of investments properties under development is as follows:

	1 January - 31 December 2014	1 January - 31 December 2013
Beginning of the period - 1 January	-	-
Transfers(*)	3,174,000	-
End of the period - 31 December	3,174,000	-

(*) According to the valuation report prepared by Reel Gayrimenkul Değerleme A.Ş. , Gebze Land/Project valued separately from the Gebze Shopping Mall by reason of the commencement of the Gebze Land of project development and transferred from operating investment property to investment properties under development as of 31 December 2014. Gebze Land / Project recognized with fair value in the financial statements.

DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(Amounts expressed as Turkish Lira ("TL") unless otherwise stated.)

11. INVESTMENT PROPERTIES (Continued)

Investment properties under development measured at fair value

As at 1 January 2014 and 31 December 2014 the movement of investment properties under development are as follows:

	1 January 2014	Additions	Disposal (**)	31 December 2014
Investment properties	6,065,909	1,208,732	(3,428,927)	3,845,714
Total	6,065,909	1,208,732	(3,428,927)	3,845,714

(**) The cost related to the withdrawal of Doğuş Center Maslak building project are recorded as expense.

As at 1 January 2013 and 31 December 2013 the movement of investment properties are as follows:

	1 January 2013	Additions	Disposal	31 December 2013
Investment properties	4,238,695	1,827,214	-	6,065,909
Total	4,238,695	1,827,214	-	6,065,909

Due to reason that the comparable market transactions being infrequent and alternative reliable estimates of fair value (for example based on discounted cash flow projections) being not available, the fair value of the investment property under development, namely "Doğuş GYO Office Tower Project" is deemed to be not reliably determinable. Therefore, the Company determines that the fair value of its investment property under development is not reliable determinable but expects the fair value of the property to be reliably determinable when construction is complete; it measures that investment property under development at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier).

Investment property is composed of "Doğuş GYO Office Tower Project" and "Gebze Additional Buildings Project" which details are described below.

Doğuş GYO Office Tower Project

Istanbul province, Şişli district, Ayazağa district, address and the title of the two layouts, 1 island, 131 numbered following the finalization of development plans on registered real estate parcel, a "Business Project", it was decided to construct. According to the Board of Directors resolution dated 16 November 2012 and numbered 340, the Company has decided to receive service in scope of projection, related application to the governmental institutions and obtaining required permission and approvals in order to initiate the process of construction from Doğuş Gayrimenkul Yatırım ve İşletme A.Ş. through signing engagement letter of "Improvement of Project Construction" and then start to construct the project.

DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(Amounts expressed as Turkish Lira ("TL") unless otherwise stated.)

11. INVESTMENT PROPERTIES (Continued)

The Company has objected to and requested an amendment to the "Maslak and its Area Reconstruction Plan" with a scale of 1/5000, which was approved and determined by the Istanbul Metropolitan Municipality (İBB) and then suspended on 12 March 2014. Thus, due to the rejection of this amendment request, a lawsuit was filed on 11 August 2014 for the cancellation of the relevant reconstruction plan and suspension of its execution and the lawsuit process has continued since then.

Gebze Additional Building Project

According to Board of Directors' Decision No. 390 dated 9 July 2014, the Company has been performing research, evaluation, and planning activities regarding "Hotel construction (primarily) and the construction of additional buildings project" on the property whose title deed is registered at plot G22B24B2A, block 5678, and parcel number 20, located at Kocaeli, Gebze District, Sultanorhan District, Güneyyanyol, No:310.

There is no mortgage or lien on investment properties.

12. TANGIBLE ASSETS

The movement schedule of tangible assets as of 31 December 2014 and 31 December 2013 are as follows:

	1 January 2014	Addition	Disposal	31 December 2014
Furniture and fixture	1,559,904	1,263,122	(4,637)	2,818,389
Accumulated depreciation	(1,057,189)	(424,435)	2,166	(1,479,458)
Net book value	502,715			1,338,931

	1 January 2013	Addition	Disposal	31 December 2013
Furniture and fixture	1,555,377	4,527	-	1,559,904
Accumulated depreciation	(879,602)	(177,587)	-	(1,057,189)
Net book value	675,775			502,715

There is no pledge on tangible assets as of 31 December 2014 and 31 December 2013.

DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(Amounts expressed as Turkish Lira ("TL") unless otherwise stated.)

13. INTANGIBLE ASSETS

The movement schedule of tangible assets as of 31 December 2014 and 31 December 2013 are as follows:

	1 January 2014	Addition	Disposal	31 December 2014
Rights	214,632	55,441	-	270,073
Accumulated depreciation	(89,052)	(15,896)	-	(104,948)
Net book value	125,580			165,125

	1 January 2013	Addition	Disposal	31 December 2013
Rights	203,017	11,615	-	214,632
Accumulated depreciation	(76,778)	(12,274)	-	(89,052)
Net book value	126,239			125,580

14. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

According to the decision of CMB's 28/780 numbered meeting on 9 September 2009, related to the commitments of publicly owned companies given to the guarantee 3rd party's debts, The commitments given;

For companies other than publicly owned associations and financial institutions;

- i) For their own corporate identities,
- ii) In favor of fully consolidated associations,
- iii) In favor of 3rd parties to continue their operations will not be limited.

After the decision is published at the Platform of Public Enlightenment, publicly owned companies will not give commitments to real people or corporations other than mentioned at the bullets (i) and (ii) above or to third parties other than mentioned at the bullet (iii).

As at 31 December 2014 and 31 December 2013 commitments given are as follows:

	31 December 2014	31 December 2013
A. CPM's given for its own legal personality	197,972	30,472
B. CPM's given on half of fully consolidated companies	-	-
C. CPM's given for continuation of its economic activities on behalf on third parties	-	-
D. Total amount of other CPM's	-	-
Total amount of CPM's given to on behalf		
- The majority shareholder	-	-
- Total amount of CPM's given to on behalf of other group companies which are not in scope of B and C	-	-
- Total amount of CPM's given to on behalf of third parties which are not in scope of C	-	-
Total	197,972	30,472

DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(Amounts expressed as Turkish Lira ("TL") unless otherwise stated.)

14. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

The proportion of other CPM and Group's equity is 0.03% as of 31 December 2014. (31 December 2013: 0.01%).

As of 31 December 2014 and 31 December 2013, the Company has no contingent assets and liabilities.

As of 31 December 2014 and 31 December 2013, the details of deposits and guarantees received are showed below:

	31 December 2014		31 December 2013	
	Original amount	TL Equivalent	Original amount	TL Equivalent
Euro	1,390,885	3,923,269	-	-
TL	176,000	176,000	-	-
		4,099,269		-

The deposits and guarantees received from Gebze Center Shopping Center's tenants.

15. LIABILITIES FOR EMPLOYEE BENEFITS

As at 31 December 2014 and 31 December 2013, the details of liabilities for employee benefits of the Company are as follows:

	31 December 2014	31 December 2013
Social security premiums payable	29,915	24,589
Payables to personnel	534	409
Total	30,449	24,998

16. PROVISIONS FOR EMPLOYEE BENEFITS

Provision for unused vacation

The undiscounted unused vacation provision liability is below:

	31 December 2014	31 December 2013
Short term liabilities		
Unused vacation	396,302	179,039
Total	396,302	179,039

The movement schedule of the unused vacation as of 31 December 2014 and 2013 is as follows:

	31 December 2014	31 December 2013
Balance at the beginning of the period - 1 January	179,039	129,269
Increase during the period	217,263	49,770
At the end of the period - 31 December	396,302	179,039

DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(Amounts expressed as Turkish Lira ("TL") unless otherwise stated.)

16. EMPLOYEE BENEFITS (Continued)

	31 December 2014	31 December 2013
Long term liabilities		
Provision for employee termination benefit	73,998	56,039
Total	73,998	56,039

Provisions for severance payments represent the Companies' liabilities that could be occur through retirements of its employees and the present value of calculated possible liabilities in accordance with Turkish Labour Law. Provisions for severance payments are calculated on an accrual basis as the employees deserve and reflected at financial statements. The computation of the liability is based upon the retirement pay ceiling announced by the Government. The applicable ceiling amount as of 1 January 2015 TL 3,541. (1 January 2014: TL 3,438)

In accordance with TAS 19 - Employee Benefits, the Company is required to use actuarial valuation methods in estimating the liability related with current retirement plans. As at 31 December 2014 and 31 December 2013, employee severance indemnity in the accompanying financial statements has been calculated using the following actuarial assumptions:

	31 December 2014	31 December 2013
Discount rate	3.95%	3.49%
Expected salary / Rate of limit increase	5.00%	6.00%
Estimated retirement turnover rate	98%	98%

	31 December 2014	31 December 2013
1 January	56,039	76,149
Service cost	12,756	9,656
Interest cost	6,771	5,436
Actuarial gain	(1,568)	(19,058)
Payments in period	-	(16,144)
31 December	73,998	56,039

As at 31 December 2014 and 31 December 2013, the provisions for employee benefits of the Company are as follows:

	31 December 2014	31 December 2013
Beginning of the period - 1 January	2,000,000	600,000
Payment in period	(1,301,591)	(600,000)
Additions	1,801,591	2,000,000
End of the period - 31 December	2,500,000	2,000,000

DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(Amounts expressed as Turkish Lira ("TL") unless otherwise stated.)

17. OTHER CURRENT / NON-CURRENT ASSETS AND SHORT-TERM / LONG-TERM LIABILITIES

Other current assets

As at 31 December 2014 and 31 December 2013, the details of other current assets are presented below:

	31 December 2014	31 December 2013
Job advances	11,565	4,459
Other	6,560	-
Total	18,125	4,459

Other non-current assets

As at 31 December 2014, the other non-current assets amounting to TL 11,704 (31 December 2013: TL5,913) consist of deposits and guarantees given.

Other short term liabilities

As of 31 December 2014 and 31 December 2013, the details of other short-term liabilities are presented below:

	31 December 2014	31 December 2013
Taxes payables and other duties	579,794	319,007
Expense accrual	550,000	-
Other	-	11,258
Total	1,129,794	330,265

18. NON-CONTROLLING INTEREST

None.

DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(Amounts expressed as Turkish Lira ("TL") unless otherwise stated.)

19. SHAREHOLDER'S EQUITY

19.1. Paid in capital

As at 31 December 2014, The Company's paid in capital is TL 227,208,155 (31 December 2013: TL 227,208,155).

As at 31 December 2014 and 31 December 2013, The Company's capital comprise of issued and each carries 1 TL nominal value shares.

As at 31 December 2014 and 31 December 2013, , The Company's capital structure shows below:

Description	Class	Type	31 December 2014		31 December 2013	
			Capital amount (TL)	Capital rate (%)	Capital amount (TL)	Capital rate (%)
Doğuş Holding A.Ş. (Non-public)	A	Registered	1,874,850	0.83	1,874,850	0.83
Doğuş Holding A.Ş. (Non public)	B	Bearer	35,052,950	15.43	35,052,950	15.43
Doğuş Holding A.Ş. (Public-Partion Spin off)	B	Bearer	132,332,502	58.24	132,332,502	58.24
Doğuş Turizm Sağlık Yat. ve İşl. San. Tic. A.Ş. (Public – Partion spin off)		Bearer	1,095,653	0.48	1,095,653	0.48
Public held	B	Bearer	56,852,200	25.02	56,852,200	25.02
Total			227,208,155	100	227,208,155	100

19.2. Restricted reserves

As at 31 December 2014 and 31 December 2013, restricted reserves are consist of legal reserves.

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve balance reaches 20% of the Company's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(Amounts expressed as Turkish Lira ("TL") unless otherwise stated.)

19. SHAREHOLDER'S EQUITY (Continued)

19.3. Dividend distribution

According to Communiqué Serial: IV, No: 27, regarding profit distribution obligation, it has been made possible that shares, issued in cash or through the addition of dividend to the capital upon the decision of the Company's general assembly, can be distributed to the shareholders free of charge or that the distribution can be partly made in cash and partly through the free distribution of shares. It has been further made possible that initial dividend amount be left to the companies without distribution, if such amount is lower than the 5% of the existing paid-up/issued capital amount.

In this context; according to the decision of CMB, the net distributable profit that is calculated per CMB's minimum profit distribution requirements will be wholly distributed if it is met by the net distributable profit of statutory records, if the amount per CMB is not met by statutory records, the amount to be distributed will be limited to the amount at the statutory records. If losses are incurred in either of CMB or statutory financial statements, no profit will be distributed.

19.4 Retained earnings

As at 31 December 2014, the Company's statutory retained earnings and statutory net profit are TL 42,985,670 and TL 29,114,256 respectively.

19.5 Share premium

As described more fully at Note 3; the difference between the nominal amount of the new shares amounting to TL 133,428,155 issued after the partially spin off and the net fair value of the acquired investment property amounting to TL 356,881,072 was recorded as shared premium as of 8 October 2013.

20. SALES AND COST OF SALES

Sales for the periods ended 31 December 2014 and 2013 are as follows:

	31 December 2014	31 December 2013
Rent income	46,325,802	15,704,586
Other income	135,801	71,306
Total	46,461,603	15,775,892

Cost of the sales for the periods ended 31 December 2014 and 2013 are as follows:

	31 December 2014	31 December 2013
Real estate tax expenses	3,046,031	1,714,521
Common area expenses (*)	3,506,044	567,847
Other expenses	73,121	16,402
Total	6,625,196	2,298,770

(*) The reason for the increase in common area expenses are related to the acquisition of Gebze Center Shopping Mall.

DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(Amounts expressed as Turkish Lira ("TL") unless otherwise stated.)

21. GENERAL ADMINISTRATIVE EXPENSES

General administrative expenses for the periods ended 31 December 2014 and 2013 are as follows:

	31 December 2014	31 December 2013
Personnel expenses	4,738,598	4,687,392
Depreciation and amortization	440,331	189,861
Tax and other duties	333,291	257,849
Travel and vehicle rent expenses	312,497	228,342
Head office expenses	156,898	115,531
Consultancy expenses	78,340	101,983
Communication expenses	44,001	27,197
Istanbul Stock Exchange expenses	23,445	1,411,098
Membership and subscription expenses	22,239	24,875
Software expenses	21,256	43,380
Other	149,409	120,059
Total	6,320,305	7,207,567

22. OTHER OPERATING INCOME/EXPENSES

Other operating income for the periods ended 31 December 2014 and 2013 are as follows:

	31 December 2014	31 December 2013
Foreign exchange gains	47,383	-
Other	39,871	35,319
Total	87,254	35,319

Other operating income for the periods ended 31 December 2014 and 2013 are as follows:

	31 December 2014	31 December 2013
Provision for doubtful receivables	755,001	-
Inventories recognised as expense	70,848	-
Foreign exchange losses	3,856	-
Other	14,741	-
Total	844,446	-

DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(Amounts expressed as Turkish Lira ("TL") unless otherwise stated.)

23. INCOME AND EXPENSES FROM INVESTING ACTIVITIES

Income from investing activities for the periods ended 31 December 2014 and 2013 are as follows:

	31 December 2014	31 December 2013
Interest income generated from government and private sector bonds	1,934,429	1,387,570
Total	1,934,429	1,387,570

Expenses from investing activities for the periods ended 31 December 2014 and 2013 are as follows:

	31 December 2014	31 December 2013
Expenses from investing activities (*)	3,428,927	-
Total	3,428,927	-

(*) The cost related to the withdrawal of Doğuş Center Maslak building project are recorded as expense.

24. FINANCE INCOME

Finance income for the periods ended 31 December 2014 and 2013 are as follows

	31 December 2014	31 December 2013
Foreign exchange gains	6,891,810	743,784
Interest income	2,508,491	1,435,764
Total	9,400,301	2,179,548

25. FINANCE EXPENSE

Finance expense for the periods ended 31 December 2014 and 2013 are as follows:

	31 December 2014	31 December 2013
Interest expenses	5,331,727	2,272,393
Foreign exchange losses	3,038,099	7,616,767
Commission expenses	739,050	162,920
Other	123,686	-
Total	9,232,562	10,052,080

DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(Amounts expressed as Turkish Lira ("TL") unless otherwise stated.)

26. DISCONTINUED OPERATIONS

None.

27. TAX ASSETS AND LIABILITIES

In accordance with the Corporate Tax Law, the income of the Company is exempted from taxation since it's operations are related to real estate investment trust. Since the earnings of the Company are exempt from tax in accordance with the Corporate Income Tax Law, the Company does not any deferred tax assets and liabilities Earnings per share stated in statement of income are calculated by dividing net income for the period by the weighted average number of the Company's shares for the period.

28. EARNINGS PER SHARE

Earnings per share amounts, net income is calculated by the weighted average number of shares in the current period, the Company's shares.

	31 December 2014	31 December 2013
Profit for the period	51,828,245	21,915,267
Weighted average number of shares	227,208,155	95,607,783
Earning per share	0.2281	0.2292

29. RELATED PARTY DISCLOSURES

Due to /from related parties

As at 31 December 2014 and 31 December 2013, the Company's related party balances are as follows;

	31 December 2014	31 December 2013
<i>Trade receivables from related parties:</i>		
Doğuş Oto Pazarlama Tic. A.Ş.	58,842	12,095
Türkiye Garanti Bankası A.Ş.	47,920	10,510
Doğuş Center Maslak Yöneticiliği	16,294	-
Doğuş İstanbul Sportif Faaliyetler Kulübü Derneği	6,195	6,195
A Yapım Radyo ve Televizyon Yay. A.Ş.	2,744	2,722
Doğuş Yayın Grubu A.Ş.	1,231	10,704
Total	133,226	42,226

	31 December 2014	31 December 2013
<i>Other receivables from related parties:</i>		
Doğuş Power Center Maslak Management	67,540	-
Total	67,540	-

DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(Amounts expressed as Turkish Lira ("TL") unless otherwise stated.)

29. RELATED PARTY DISCLOSURE (Continued)

As at 31 December 2014 and 31 December 2013, there is no guarantee given to/received from related parties.

31 December 2014 31 December 2013

Trade payables to related parties:

Doğuş Gayrimenkul Yatırım ve işletme A.Ş.	368,938	-
Doğuş Holding A.Ş.	286,990	-
Antur Turizm A.Ş.	79,240	-
Antalya 2000 Plaza	35,594	-
Leaseplan Otomotiv Servis ve Tic. A.Ş.	18,128	-
Garanti Portföy Yönetimi A.Ş.	16,043	-
Doğuş Bilgi işlem ve Teknoloji Hizmetleri A.Ş.	5,840	7,475
Doğuş Power Center Maslak Yöneticiliği	-	13,732
Total	810,773	21,207

31 December 2014 31 December 2013

Other payables to related parties:

Doğuş Gayrimenkul Yatırım ve İşletme A.Ş.	128,935	-
Total	128,935	-

As at 31 December 2014 and 31 December 2013, the Company's related company Türkiye Garanti Bank A.Ş.'s balances are as follows:

31 December 2014 31 December 2013

Banks - demand deposits

Türkiye Garanti Bankası A.Ş.	30,338	19,862
Garanti Portföy Yönetimi A.Ş.	2,992	-

Banks - time deposits

Garanti Portföy Yönetimi A.Ş. (*)	13,087,049	-
Türkiye Garanti Bankası A.Ş. - Malta Branch	7,018,464	10,226,735

Financial investments

Garanti Portföy Yönetimi A.Ş. (*)	8,150,121	13,174,427
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Investment funds

Garanti Portföy Yönetimi A.Ş. (*)	-	4,538,833
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(*) Garanti Portföy Yönetimi A.Ş. has given portfolio management services to the Company.

DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

(Amounts expressed as Turkish Lira ("TL") unless otherwise stated.)

29. RELATED PARTY DISCLOSURE (Continued)

Related party transactions

As at 31 December 2014 and 2013, the Company's transactions with related parties summary is as follows:

	31 December 2014	31 December 2013
Rent income		
Doğuş Oto Pazarlama Ticaret A.Ş.	8,568,371	6,479,012
Doğuş Yayın Grubu A.Ş.	5,100,726	4,511,989
Doğuş Spor Kompleksi Yatırım ve İşletme A.Ş.	1,741,314	1,538,189
A Yapım Radyo ve Televizyon Yapımcılığı A.Ş.	662,770	586,209
Türkiye Garanti Bankası A.Ş.	308,540	127,385
Doğuş Gayrimenkul Yatırım ve İşletme A.Ş.	88,859	-
Garanti Emeklilik ve Hayat A.Ş.	31,708	29,089
Garanti Finansal Kiralama A.Ş.	10,623	9,099
Doğuş İstanbul Sportif Faaliyetler Kulübü Derneği	-	5,250
Total	16,512,911	13,286,222

Service and other expenses

Doğuş Gayrimenkul Yatırım ve İşletme A.Ş.	2,128,935	-
Doğuş Holding A.Ş.	243,478	-
Doğuş Center Maslak Yöneticiliği	213,205	259,802
Leaseplan Otomotiv Servis ve Tic. A.Ş.	189,854	166,272
Garanti Portfoy Yönetimi	106,635	162,921
Antur Turizm A.Ş.	72,697	-
Doğuş Bilgi İşlem ve Teknoloji Hizmetleri A.Ş.	17,237	6,335
Garanti Yatırım Menkul Kıymetler A.Ş.	5,250	5,250
Total	2,977,291	600,580

Interest income

Türkiye Garanti Bankası A.Ş.	298,590	584,984
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As at 31 December 2014, 36 % of the Company's revenues were generated from the related parties of the Company (31 December 2013: 84 %).

Employee benefits to key management:

Remuneration and fees paid to the key management personnel for 31 December 2014 is TL 2,960,724 (31 December 2013: TL 1,676,291).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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30. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk. The Company has exposure to the following risks from its operations:

- Credit risk
- Liquidity risk
- Market risk

30.1. Credit risk

The ownership of the financial assets brings the risk of not meeting the obligations of the agreement of the counter party. These risks are controlled by credit evaluations and restricting the maximum exposure to a counter party.

The Company leased out the majority of its investment property portfolio to the main shareholders, group companies and public institutions. Credit risk of other tenants is limited via letter of guarantee.

As at 31 December 2014, credit risk exposure of financial assets is as follows

31 December 2014	Receivables				Deposits on banks	Financial investments
	Trade receivables		Other receivables			
	Related party	Other party	Related party	Other party		
Exposure to maximum credit risk as of reporting date (A+B+C+D+E)	133,226	2,215,523	67,540	278,076	46,358,509	8,150,121
A) Net book value of financial assets that are either not due or not impaired						
-Secured portion by guarantees, etc.	133,226	2,215,523	67,540	278,076	46,358,509	8,150,121
B) Financial assets with renegotiated Condition- Secured portion by guarantees, etc	-	-	-	-	-	-
C) Net book value of the expired but not impaired financial assets Secured portion by guarantees, etc.	-	-	-	-	-	-
D)) Net book value of impaired assets	-	-	-	-	-	-
- Overdue (Gross book value)		1,006,516				
- Impairment (-)	-	970,417	-	-	-	-
- Secured portion of the net value by guarantees, etc	-	36,099	-	-	-	-
E) Off balance sheet items with credit risks	-	-	-	-	-	-

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**30. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS
(Continued)**

As at 31 December 2013, credit risk exposure of financial assets is as follows:

31 December 2013	Receivables				Deposits on banks	Financial investment
	Trade receivables		Other receivables			
	Related party	Other party	Related party	Other party		
Exposure to maximum credit risk as of reporting date (A+B+C+D+E) (A+B+C+D+E)	42,226	233,378	-	148,832	22,550,897	13,174,427
A) Net book value of financial assets that are either not due or not impaired						
Secured portion by guarantees, etc.	42,226	233,378	-	148,832	22,550,897	13,174,427
B) Financial assets with renegotiated Condition- Secured portion by guarantees, etc						
C) Net book value of the expired but not impaired financial assets	-	-	-	-	-	-
Secured portion by guarantees, etc.	-	-	-	-	-	-
D) Net book value of impaired assets	-	-	-	-	-	-
Overdue (Gross book value)	-	-	-	-	-	-
Not overdue (Gross book value)	-	215,416	-	-	-	-
Impairment (-)	-	215,416	-	-	-	-
Secured portion of the net value by guarantees, etc	-	-	-	-	-	-
E) Off balance sheet items with credit risks	-	-	-	-	-	-

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30. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

30.2. Liquidity risk

Liquidity risk is the inability of the Company to match the net funding requirements with sufficient liquidity.

The following table presents the Company's financial liabilities including interest payments according to their remaining contractual maturities:

Contract terms

31 December 2014	Carrying value	Total of contractual cash flows	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years
Short term financial liabilities (Non - derivative)						
Financial liabilities	18,644,553	21,069,003	10,656,590	10,412,413	-	-
Trade payables	1,776,907	1,776,907	1,776,907	-	-	-
Other payables and liabilities	1,363,653	1,363,653	1,363,653	-	-	-
Total	21,785,113	24,209,563	13,797,150	10,412,413	-	-

31 December 2014	Carrying value	Total of contractual cash flows	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years
Long term financial liabilities (Non - derivative)						
Financial liabilities	75,124,583	84,512,873	-	-	75,955,747	8,557,126
Other payables and liabilities	184,908	184,908	-	-	184,908	-
Total	75,309,491	84,697,781	-	-	76,140,655	8,557,126

Contract terms

31 December 2013	Carrying value	Total of contractual cash flows	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years
Short term (Non - derivative financial liabilities)						
Financial liabilities	17,379,735	17,639,140	8,730,886	8,908,254	-	-
Trade payables	198,955	198,955	198,955	-	-	-
Other payables and liabilities	414,366	414,366	414,366	-	-	-
Total	17,993,056	18,252,461	9,344,207	8,908,254	-	-

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30. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2013	Carrying value	Total of contractual cash flows	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years
Long term (Non - derivative financial liabilities)						
Financial liabilities	95,588,468	98,013,720	-	-	71,281,719	26,732,001
Total	95,588,468	98,013,720	-	-	71,281,719	26,732,001

As at 31 December 2014 the Company does not have any derivative financial liabilities (31 December 2013 : None)

30.3. Market Risk

The Company is exposed to various market risks, including the effects of changes in exchange rates, interest rates, equity prices and credit spreads.

The total risk management program of the Company focuses on the unpredictability of the financial markets and aims at reducing the potential negative effects on the Company's financial performance.

Foreign currency risk

Exchange risk comprises the effects arising from exchange movements in the event foreign currency assets and liabilities.

Due to the fact that the Company signs rent agreements on USD, loans and borrowings has been made generally on USD.

As at 31 December 2014 and 31 December 2013, the Company's foreign currency assets and liabilities are as follows:

	31 December 2014 (TL amount)	31 December 2013 (TL amount)
Total assets in foreign currency	3,677,735	3,262,355
Total liabilities in foreign currency	(93,990,260)	(112,968,204)
Net position	(90,312,525)	(109,705,849)

DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**NOTES TO THE FINANCIAL STATEMENTS
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**30. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS
(Continued)***Foreign currency in details;*

	31 December 2014			31 December 2013		
	Currency Type	Currency amount	TL amount	Currency amount	Currency amount	TL amount
Assets						
Cash and cash equivalents	USD	1,575,624	3,653,715	USD	1,526,505	3,258,020
	Euro	8,494	23,959	Euro	1,477	4,335
	CZK	600	61	CZK	-	-
Total			3,677,735			3,262,355
Liabilities						
Financial liabilities	Euro	33,243,215	93,769,136	Euro	38,470,357	112,968,204
Other payables	Euro	63,959	180,408	Euro	-	-
Other payables	USD	17,558	40,716	USD	-	-
Total			93,990,260			112,968,204
Net position			(90,312,525)			(109,705,849)

Foreign currency sensitivity analysis table**31 December 2014**

	Profit/(Loss)	
	Valuation of foreign currency	Devaluation of foreign currency
<i>In the case of US Dollar gaining 10 % value against TL;</i>		
1- US Dollar net asset / liability	361,300	(361,300)
2- Hedged portion against US Dollar risk (-)	-	-
3- Net effect of US Dollar (1+ 2)	361,300	(361,300)
<i>In the case of Euro gaining 10 % value against TL;</i>		
1- Euro net asset / liability	(9,392,558)	9,392,558
2- Hedged portion against Euro risk (-)	-	-
3- Net effect of Euro (1+ 2)	(9,392,558)	9,392,558

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**30. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS
(Continued)****31 December 2013**

	Profit/(Loss)	
	Valuation of foreign currency	Devaluation of foreign currency
<i>In the case of US Dollar gaining 10 % value against TL;</i>		
1- US Dollar net asset / liability	325,802	(325,802)
2-- Hedged portion against US Dollar risk (-)	-	
3- Net effect of US Dollar (1+ 2)	325,802	(325,802)
<i>In the case of Euro gaining 10 % value against TL;</i>		
1- Euro net asset / liability	(11,296,387)	11,296,387
2- Hedged portion against Euro risk (-)	-	
3- Net effect of Euro (1+ 2)	(11,296,387)	11,296,387

Interest rate risk

The Company is exposed to interest rate risk due to interest bearing assets and liabilities.

The table below shows the financial instruments sensitive to interest rates as at 31 December 2014 and 31 December 2013:

	31 December 2014	31 December 2013
<i>Financial instruments with fixed interest rates</i>		
Financial assets	54,470,251	40,239,928
<i>Time deposits</i>	46,320,130	22,526,668
<i>Financial investments</i>	8,150,121	13,174,427
<i>Investment funds</i>	-	4,538,833

Weighted average interest rates which are applied to financial instruments as of 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014	31 December 2013
<i>Financial instruments</i>		
Time deposits - TL	%7.50-%10.10	%6.50-%9.00
Time deposits - USD	%2.5	%2.25-%3.2
Financial liabilities - Euro	Euribor + %4.75	Euribor + %4.75
Financial investments - TL	%7.96-%12.18	%6.51-%10.28

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**30. NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS
(Continued)**

Interest rate sensitivity:

The company's financial claims and debts are generally short term and there is no exposure to the risk of interest.

The company reduces interest risk of change by using variable-rate loans and loan term credit.

30.4. Capital management

The Company manages capital by using effective portfolio management to reduce the risk of investment. The main objectives of the Company are to continue operations with generating revenue, to secure the benefits of the shareholders, cost of capital and to continue the optimum level of net liabilities/equity and to achieve the efficient capital structure continuity.

31. FINANCIAL INSTRUMENTS

The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties.

The determination of fair value of company's liabilities and obligations are required for both accounting policies and presentation of the notes.

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Following assumptions and methods are used to estimate fair value of financial instruments, if fair values are applicable.

Trade receivables

The Company assumes that the carrying values of the trade receivables are close to their fair value because of their short-term nature.

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31. FINANCIAL INSTRUMENTS (Continued)

Financial assets

Financial assets comprise of government bonds and private sector bonds. These assets are measured at fair value in the financial statements.

Financial liabilities

Trade and other payables

The Company assumes that the carrying values of the trade payables are close to their fair value because of their short-term nature.

Fair Value of Financial Instruments

Financial value of financial instruments is calculated through reliable informations available in Turkey financial markets.

Fair values and carrying values of the EUR denominated loans with floating interest rates are as follows:

Carrying value		Fair value	
31 December 2014	31 December 2013	31 December 2014	31 December 2013
93,769,136	112,968,204	94,588,726	115,652,860

Classification of Fair Value Measurement

TFRS 13 - Financial Instruments requires the classification of fair value measurements into a fair value hierarchy by reference to the observability and significance of the inputs used in measuring fair value of financial instruments measured at fair value to be disclosed. This classification basically relies on whether the relevant inputs are observable or not. Observable inputs refer to the use of market data obtained from independent sources, whereas unobservable inputs refer to the use of predictions and assumptions about the market made by the Company.

This distinction brings about a fair value measurement classification generally as follows:

- Level 1: Financial assets and financial liabilities with standard terms and conditions are valued with quoted market prices which are determined on active liquid markets.
- Level 2: Financial assets and financial liabilities are valued by directly or indirectly observable market prices rather than the quoted market prices mentioned in first level of the regarding assets or liabilities.
- Level 3: Financial assets and financial liabilities are valued by the inputs where there is no observable market data of the fair value of the regarding assets and liabilities.

Classification requires using observable market data if possible.

In this context, classification of fair value of financial assets and liabilities measured at fair value are as follows:

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

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31. FINANCIAL INSTRUMENTS (Continued)

31 December 2014	Level 1	Level 2	Level 3	Total
Private sector bonds	8,091,172	-	-	8,091,172
Government sector bonds	58,949	-	-	58,949
Investment properties (*)	-	13,868,000	683,469,714	697,337,714
Total	8,150,121	13,868,000	683,469,714	705,487,835

31 December 2013	Level 1	Level 2	Level 3	Total
Private sector bonds	13,174,427	-	-	13,174,427
Investment properties (*)	-	12,959,000	666,013,909	678,972,909
Total	13,174,427	12,959,000	666,013,909	692,147,336

(*) The company's investment properties under development amounting to TL 3,845,714 are carried by its cost value by assuming that the cost value of the investment properties under development is very close to its fair value (31 December 2013: TL 6,065,909) (Note 11).

32. SUBSEQUENT EVENTS

The Company decided to start the procedures related to the get certificate of habitability, payment of applicable fees and construction activities in accordance with the decision of the Board of Directors dated 17 February 2015.

SUPPLEMENTARY INFORMATION: COMPLIANCE CONTROL OF THE PORTFOLIO RESTRICTIONS

Presented information, in accordance with Capital Markets Board's Communiqué Serial: II, No: 14.1 "Financial Reporting in Capital Markets" Amendment No: 16 comprised condensed information and prepared in accordance with Capital Markets Board's Communiqué Serial: III, No: 48.1 "Real Estate Investment Company" published in the Official Gazette dated 28 May 2013 numbered 28660 Capital Markets Board's Communiqué Serial: III, No: 48.1a "Amendment on Real Estate Investment Company" published in the Official Gazette dated 23 January 2014 numbered 28891.

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SUPPLEMENTARY INFORMATION: COMPLIANCE CONTROL OF THE PORTFOLIO RESTRICTIONS(Continued)

As of 31 December 2014, the information in the table of "control of compliance with the portfolio limitations" is prepared in accordance with the provisions on the control of portfolio limitations of Communiqué Series:III No: 48.1a, and article 22(e), article 24(a,b,c,d) and article 28 and 31 "Principles Regarding Real Estate Investment Companies", and the limitations are showed below:

Financial Statement Primary

	Accounts Items	Related Regulations	31 December 2014 (TL)	31 December 2013 (TL)
A	Monetary and capital market instruments	Serial III-48.1a, Art.24/(b)	54,519,957	40,271,943
B	Real estates, projects based on real estates, rights based on real estates	Serial III-48.1a, Art.24/(a)	697,337,714	678,972,909
C	Subsidiaries	Serial III-48.1a, Art.24/(b)	-	-
	Due from related parties (non-trade)	Serial III-48.1a, Art.23/(f)	67,540	-
	Other assets		4,694,804	1,082,352
D	Total asset	Serial III-48.1a, Art.3/(p)	756,620,015	720,327,204
E	Financial liabilities	Serial III-48.1a, Art.31	93,769,136	112,968,204
F	Other financial liabilities	Serial III-48.1a, Art.31	-	-
G	Financial leasing obligations	Serial III-48.1a, Art.31	-	-
H	Due to related parties (non-trade)	Serial III-48.1a, Art.23/(f)	128,935	-
i	Equity	Serial III-48.1a, Art.31	656,340,414	604,510,601
	Other liabilities		6,381,530	2,848,399
D	Total liabilities	Serial III-48.1, Art.3/(p)	756,620,015	720,327,204

	Financial Information	Related Regulations	31 December 2014 (TL)	31 December 2013 (TL)
A1	The portion of money and capital market instruments held for payables of properties for the following 3 years	Serial III-48.1a, Art.24/(b)	-	-
A2	Time deposit/demand deposit/TL/Foreign currency	Serial III-48.1a, Art.24/(b)	46,358,509	22,550,897
A3	Foreign capital market instruments	Serial III-48.1a, Art.24/(d)	-	-
B1	Foreign properties, projects based on properties and rights based on properties	Serial III-48.1a, Art.24/(d)	-	-
B2	Idle lands	Serial III-48.1a, Art.24/(c)	-	-
C1	Foreign Subsidiaries	Serial III-48.1a, Art.24/(d)	-	-
C2	Investments in affiliated operating companies	Serial III-48.1a, Art.28/1/(a)	-	-
J	Non-cash loans	Serial III-48.1a, Art.31	-	-
K	Mortgage amounts on lands that project to be developed and the ownership does not belong the partnership	Serial III-48.1a, Art.22/(e)	-	-
	Total investments of monetary and capital market instruments at one company	Serial III-48.1a, Art.22/(1)	-	-
L			-	-

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SUPPLEMENTARY INFORMATION: COMPLIANCE CONTROL OF THE PORTFOLIO RESTRICTIONS (Continued)

Portfolio Restrictions	Related Regulation	Calculation	Max/Min rate	31 December 2014 (TL)	31 December 2013 (TL)
1 Mortgage amounts on lands that project to be developed and the ownership does not belong the partnership	Serial III-48.1a, Art.22/(e)	K/D	Max %10	-	-
2 Real estates, projects based on real estates, rights based on real estates	Serial III-48.1a, Art.24/(a),(b)	(B+A1)/D	Min %51	%92.16	%94.26
3 Monetary and capital market instruments	Serial III-48.1a, Art.24/(b)	(A+C-A1)/D	Max %49	%7.21	%5.59
4 Foreign properties, projects based on properties rights based on properties affiliates capital, market instruments	Serial III-48.1a, Art.24/(d)	(A3+B1+C1)/D	Max %49	-	-
5 Idle lands	Serial III-48.1a , Art.24/(c)	B2/D	Max %20	-	-
6 Subsidiaries (operating companies)	Serial III-48.1a , Art.28/1(a)	C2/D	Max %10	-	-
7 Borrowing limit	Serial III-48.1a , Art.31	(E+F+G+H+J)/İ	Max %500	%14.31	%18.69
8 TL and foreign currency time and demand deposits (Serial III-48.1a , Art.24/(b)	(A2-A1)/D	Max %10	%6.13	%3.13
9 Total investments of monetary and capital market instruments at one company	Serial III-48.1a Art.22/(1)	L/D	Max %10	-	-

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