

INDEPENDENT AUDITOR'S REPORT

(Convenience translation of financial statements and independent auditor's report originally issued in Turkish)



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DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2011

To the Shareholders of Dođuş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi:

We have audited the accompanying financial statements of Dođuş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi which comprise the balance sheet as at December 31, 2011 and the comprehensive income statement, the statement of changes in equity and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

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OPINION

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of DođuŐ Gayrimenkul Yatırım Ortaklıđı Anonim Őirketi as of December 31, 2011 and its financial performance and its cash flows for the year then ended in accordance with the financial reporting standards published by the Capital Market Board.

OTHER MATTERS

As explained in note 23 to the financial statements, the Company earns substantial portion of its sales from its related parties.

Additional paragraph for convenience translation to English:

As described in Note 2, accounting principles and standads applied in the accompanying financial statements (CMB financial accounting standards) are based on International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board except for the adoption of an earlier date for discontinuation of application of IAS 29 (financial reporting in Hyperinflationary Economies). As per CMB financial accounting standards application of inflation accounting was ceased effective as of January 1, 2005 whereas per IFRS it was ceased effective January 1, 2006.

Güney Bađımsız Denetim ve Serbest Muhasebeci Mali MüŐavirlik Anonim Őirketi
A member firm of Ernst & Young Global Limited

Billur Demet Atan, SMMM
Engagement Partner

February 23, 2012
Istanbul, Turkey



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DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ
Balance sheet as of December 31, 2011 (Currency-Turkish Lira (TL))

		Current period Audited	Prior period Audited
	Notes	December 31, 2011	December 31, 2010
Assets			
Current assets			
Cash and cash equivalents	3	26,345,543	16,749,615
Trade receivables	4	25,902,411	15,096,570
-Other trade receivables		317,844	14,391
-Due from related parties	23	108,292	14,391
Other receivables	5	209,552	-
Other current assets	12	104,961	115,812
		20,327	1,522,842
Non-current assets			
Investment properties		162,981,196	159,636,818
Tangible assets	6	162,091,135	158,994,765
Intangible assets	7	808,622	157,629
Other non-current assets	8	72,076	9,911
Other receivables	12	9,363	11,348
-Due from related parties	5, 23	-	463,165
		-	463,165
Total assets		189,326,739	176,386,433
Liabilities and shareholders equity			
Short-term liabilities			
Trade payables	4	1,082,883	1,348,082
-Other trade payables		214,879	851,013
-Due to related parties	23	95,727	837,152
Other payables	5	119,152	13,861
Employee benefits	9	22,042	31,653
Provisions	11	82,586	60,286
Other short term liabilities	12	190,000	365,282
		573,376	39,848
Long-term liabilities			
Employee benefits	9	1,138	923
		1,138	923
Shareholders' equity			
Share capital	14	188,242,718	175,037,428
Legal reserves		93,780,000	93,780,000
Retained earnings		245,372	245,372
Net profit for the period		81,012,056	71,300,570
		13,205,290	9,711,486
Total shareholders' equity and liabilities		189,326,739	176,386,433

The accompanying policies and explanatory notes on pages 7 through 41 form an integral part of the financial statements.

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Comprehensive income statement for the period ended December 31, 2011 (Currency-Turkish Lira (TL))

		Current period Audited	Prior period Audited
	Notes	December 31, 2011	December 31, 2010
Continuing operations			
Revenue	15	12,410,722	10,173,521
Cost of sales	15	(1,893,955)	(1,854,949)
Gross profit		10,516,767	8,318,572
General and administration expenses	16	(2,152,221)	(2,161,790)
Other operational income	17	2,974,756	2,994,569
Other operational expenses	17	(656,722)	(148,172)
Operating profit		10,682,580	9,003,179
Financial income	18	2,526,657	1,835,483
Financial expenses	19	(3,947)	(1,127,176)
Profit before taxation		13,205,290	9,711,486
Taxation charge	21	-	-
Net profit from continuing operations		13,205,290	9,711,486
Discontinued operations			
Income/(loss) from discontinued operations after tax	21	-	-
Net profit for the period		13,205,290	9,711,486
Other comprehensive income/(loss)		-	-
Total comprehensive income		13,205,290	9,711,486
Earnings per share (TL)	22	0.1408	0.1036
Earnings per share from continuing operations (TL)		0.1408	0.1036
Weighted average number of shares		93,780,000	93,780,000

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Statement of changes in shareholder's equity for the period ended December 31, 2011 (Currency-Turkish Lira (TL))

	Issued capital	Legal reserves	Net profit for the period	Retained earnings	Total
Balances at January 1, 2010	93,780,000	245,372	2,979,578	68,320,992	165,325,942
Transfer to retained earnings	-	-	(2,979,578)	2,979,578	-
Net profit for the period	-	-	9,711,486	-	9,711,486
Balances at December 31, 2010	93,780,000	245,372	9,711,486	71,300,570	175,037,428
Balances at January 1, 2011	93,780,000	245,372	9,711,486	71,300,570	175,037,428
Transfer to retained earnings	-	-	(9,711,486)	9,711,486	-
Net profit for the period	-	-	13,205,290	-	13,205,290
Balances at December 31, 2011	93,780,000	245,372	13,205,290	81,012,056	188,242,718

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DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

Statement of cash flows for the period ended December 31, 2011 (Currency-Turkish Lira (TL))

	Notes	Current period December 31, 2011	Audited Prior period December 31, 2010
Cash flows provided from operating activities			
Net profit for the period		13,205,290	9,711,486
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization	7, 8	149,494	77,074
Provision for doubtful receivables	4	-	32,766
Provisions	11	20,000	166,282
Loss on sale of fixed asset		6,993	-
Change in reserve for employee termination benefits and vacation pay liability	9	22,515	29,264
Investment property valuation difference	6	(2,765,630)	(2,926,709)
Interest expense	19	-	34,059
Interest income	18	(1,694,040)	(478,923)
Net income before working capital changes		8,944,622	6,645,299
Trade receivables		(319,453)	385,894
Other receivables		474,016	(47,670)
Trade payables		(636,134)	(117,282)
Other current and non-current assets		1,504,500	1,990,786
Provisions	11	(195,282)	(105,000)
Other payables and liabilities		523,917	(104,452)
Employee termination benefits and vacation paid	9	-	-
Collection from doubtful receivables	4	16,000	-
Net cash provided by operating activities		10,312,186	8,647,575
Investing activities			
Acquisition of tangible assets	7	(803,367)	(70,248)
Acquisition of intangible assets	8	(70,050)	(2,898)
Acquisition of investment properties	6	(330,740)	(6,500)
Sales of investment properties	6	-	-
Interest received		1,602,861	475,626
Proceeds from the sale of intangible assets		3,772	-
Net cash provided by investment activities		402,476	395,980
Cash flows used in financing activities			
Repayments of financial liabilities		-	(34,059)
Cash inflows/(outflows) related with financial liabilities		-	(10,277,902)
Net cash used in financing activities		-	(10,311,961)
Net (decrease)/increase in cash and cash equivalents		10,714,662	(1,268,406)
Cash and cash equivalents as of January 1		15,071,524	16,339,930
Cash and cash equivalents as of December 31		25,786,186	15,071,524

The accompanying policies and explanatory notes on pages 7 through 41 form an integral part of the financial statements.

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Notes to the financial statements as of December 31, 2011 (Currency-Turkish Lira (TL))

1. ORGANISATION AND NATURE OF OPERATIONS

Doğuş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi ("the Company"), which is traded on Istanbul Stock Exchange, is engaged in the formation and the management of the real estate portfolio, if needed to make necessary variations in real estate portfolio, essentially to form real estates and projects of low risk, to invest in real estates and in real estate development projects, to follow up developments in real estates and to take necessary precautions regarding portfolio management and to take measures and to make researches to enhance the revenue potential of real estate portfolio.

The shareholder structure of the Company is as follows:

	December 31, 2011	December 31, 2010
Doğuş Holding A.Ş.	51.00%	25.50%
GE Capital Corporation	-	25.50%
Publicly traded	49.00%	49.00%
Total	100.00%	100.00%

On January 3, 2011, Doğuş Holding increased its share to 51% by buying out the 25.50% shares held by GE Capital Corporation.

On March 22, 2004, the Company and Yapı Kredi Koray Gayrimenkul Yatırım Ortaklığı Anonim Şirketi have signed a joint venture agreement to set up Yapı Kredi Koray Gayrimenkul Yatırım Ortaklığı Anonim Şirketi and Doğuş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi Ortak Girişimi ("Joint Venture") with the principle of 50%-50% partnership in order to carry out a residential construction project. Due to the completion of this project ("Evidea"); in accordance with the terms of Joint Venture agreement and within the framework of mutual covenant; 50%-50% partnership principle with Yapı Kredi Koray GYO A.Ş. was dissolved by the decision taken by the Board of Directors on December 15, 2011. 50% of assets and liabilities of the Joint Venture were transferred to the statutory financial statements of the Company as of December 15, 2011. As of December 31, 2010, Joint Venture was proportionately consolidated in the financial statements. As of December 31, 2011, closing procedures were also completed at the statutory records.

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

	December 31, 2011	December 31, 2010
Master degree	2	1
Bachelor degree	7	8
Other	2	1
Total	11	10

The Company is registered in Turkey at the following address:

Doğuş Power Center Maslak Mahallesi Ahi Evran Cad.
No: 4/23 Maslak/Istanbul.

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Notes to the financial statements as of December 31, 2011 (Currency-Turkish Lira (TL))

2. BASIC OF PRESENTATION OF THE FINANCIAL STATEMENTS

2.1. Basis of presentation

2.1.1. Accounting principles

The Company maintains its books of account and prepare its statutory financial statements in Turkish Lira ("TL") in accordance with the Turkish Commercial Code, Turkish Tax Legislation and the Uniform Chart of Accounts (together referred to as "statutory accounts") issued by Ministry of Finance.

The accompanying financial statements are based on the statutory accounts of the Company with adjustments and reclassifications for the purpose of fair presentation in accordance with the accounting and reporting standards promulgated by the Capital Markets Board of Turkey ("CMB"). At December 31, 2011 the Company prepared its financial statements in accordance with the communiqué Serial: XI, No:29 "Communiqué on Financial Reporting Standards in Capital Markets" ("Communiqué XI-29") promulgated by CMB, which is published at 9 April 2008 in the Official Gazette numbered 26842, and put into legislation beginning from 1 January 2008. The companies which report in accordance with financial reporting standards of CMB, are required to prepare their financial statements in accordance with Communiqué XI-29 which refers to International Accounting Standards ("IAS") / International Financial Reporting Standards ("IFRS"), which were endorsed by European Union. However, until the issuance of differences by Turkish Accounting Standards Board ("TASB"), within the IAS/IFRS endorsed by European Union and IAS/IFRS issued by International Accounting Standards Board ("IASB"), the accompanying financial statements are prepared in accordance with the Turkish Accounting Standards ("TAS") / Turkish Financial Reporting Standards ("TFRS"), issued by TASB and which are the same as IAS/IFRS.

The financial statements and the accompanying notes are presented in accordance with the reporting standards prescribed by CMB.

Financial statements of the Company which were prepared in accordance with Communiqué XI-29 were approved by the Board of Directors at February 23, 2012. The General Assembly and the related governmental institutions have the authority to amend the statutory financial statements after issue.

As of December 31, 2011 and 2010, financial statements are stated at historical cost basis except for investment properties.

2.1.2. Functional and reporting currency

The reporting currency and the functional currency of the Company is TL.

2.1.3. Accounting estimates

The preparation of the financial statements in conformity with Communiqué XI-29 requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reassessed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in the following future periods affected. The estimates used are mentioned in below notes and accounting policies.

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Note 4- Trade receivables: The estimate is related with the provision for doubtful receivables.

Note 6- Investment properties: The operating investment properties are presented with their fair value determined by independent appraiser firms. The estimate is related with the fair value determination.

Note 7- Tangible assets: The estimate is related with useful lives.

Note 9 - Employee benefits: The employee benefits are calculated using actuarial valuations which involve making assumptions about discount rates, future salary increases and employee turnover rates and reflected to financial statements.

2.1.4. Changes in accounting policies

Application of new and amended International Financial Reporting Standards

The accounting policies for the period ended December 31, 2011 are consistent with those of the previous financial year ended January 1, 2011 except for the adoption of new standards and IFRIC interpretations noted below. The effects of these standards and interpretations on the financial position and performance of the Company were explained in related paragraphs.

New and amended standards and interpretations of IFRS those are effective for January 1, 2011.

IFRIC 14 IAS 19-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – Prepayments of a Minimum Funding Requirement (Amended)

The amendment removes an unintended consequence when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover such requirements. The amendment permits a prepayment of future service cost by the entity to be recognised as a pension asset. The Company is not subject to minimum funding requirements; therefore the amendment of the interpretation has no effect on the financial position or performance of the Company.

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

This interpretation addresses the accounting treatment when there is a renegotiation between the entity and the creditor regarding the terms of a financial liability and the creditor agrees to accept the entity's equity instruments to settle the financial liability fully or partially. IFRIC 19 clarifies such equity instruments are "consideration paid" in accordance with paragraph 41 of IAS 39. As a result, the financial liability is derecognized and the equity instruments issued are treated as consideration paid to extinguish that financial liability. This interpretation does not apply when the creditor is acting in the capacity of a shareholder, in common control transactions or when the issue of equity shares was part of the original terms of the liability. The adoption of the interpretation did not have any impact on the financial position or performance of the Company.

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IAS 32 Financial Instruments: Presentation - Classifications on Rights Issues (Amended)

The amendment alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. The amendment has no effect on the financial position or performance of the Company because the Company does not have these types of instruments.

IAS 24 Related Party Disclosures (Revised)

Amended standard clarified the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. In addition, the revised standard introduces a partial exemption of general disclosure requirements for transactions with government-related entities. The adoption of the amendment did not have any impact on the financial position or performance of the Company.

Improvements to IFRSs

In May 2010 the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The adoption of the following amendments resulted in changes to accounting policies and disclosures, but no impact on the financial position or performance of the Company. There are separate transitional provisions for each standard. The amendments that are effective as at 1 January 2011 are as follows:

IFRS 3 Business Combinations

i) Transition requirements for contingent consideration from a business combination that occurred before the effective date of revised IFRS

This improvement clarifies that the amendments to IFRS 7 Financial Instruments: Disclosures, IAS 32 Financial Instruments: Presentation and IAS 39 Financial Instruments: Recognition and Measurement, that eliminate the exemption for contingent consideration, do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of IFRS 3 (as revised in 2008).

ii) Measurement of non-controlling interests

This improvement limits the scope of the measurement choices (fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets) only to the components of non-controlling interest that are present ownership interests that entitle their holders to a proportionate share of the entity's net assets.

iii) Unreplaced or voluntarily replaced share-based payment awards

This improvement requires an entity (in a business combination) to account for the replacement of the acquiree's share-based payment transactions (whether obliged or voluntarily), i.e., split between consideration paid and post combination expenses.

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IFRS 7 Financial Instruments: Disclosures

This improvement gives clarifications of disclosures required by IFRS 7 and emphasizes the interaction between quantitative and qualitative disclosures and the nature and extent of risks associated with financial instruments. Among others, the improvement remove the disclosure requirement of the collateral held as security and other credit enhancements and estimate of their fair value for financial assets that are past due but not impaired and that are individually impaired; and instead include a disclosure requirement of financial effect of collateral held as security and other credit enhancements for all financial assets.

IAS 1 Presentation of Financial Statements

This amendment clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.

IAS 27 Consolidated and Separate Financial Statements

This improvement clarifies that the consequential amendments from IAS 27 made to IAS 21 "The Effect of Changes in Foreign Exchange Rates", IAS "28 Investments in Associates" and IAS 31 "Interests in Joint Ventures" apply prospectively for annual periods beginning on or after 1 July 2009 or earlier when IAS 27 is applied earlier.

IAS 34 Interim Financial Reporting

This improvement provides guidance to illustrate how to apply disclosure principles in IAS 34 and add disclosure requirements on i) the circumstances likely to affect fair values of financial instruments and their classification, ii) transfers of financial instruments between different levels of the fair value hierarchy, iii) changes in classification of financial assets, and iv) changes in contingent liabilities and assets.

IFRIC 13 Customer Loyalty Programmes

This improvement clarifies that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken into account.

Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the financial statements are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting the financial statements and disclosures, after the new standards and interpretations become in effect.

IAS 1 Presentation of Financial Statements (Amended) – Presentation of Items of Other Comprehensive Income

The amendments are effective for annual periods beginning on or after 1 July 2012, but earlier application is permitted. The amendments to IAS 1 change only the grouping of items presented in other comprehensive income. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time would be presented separately from items which will never be reclassified. The amendments will be applied retrospectively. This standard has not yet been endorsed by the EU. The amendment affects presentation only and will have no impact on the financial position or performance of the Company.

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IAS 12 Income Taxes: Recovery of Underlying Assets (Amendment)

The amendments are mandatory for annual periods beginning on or after 1 January 2012, but earlier application is permitted. IAS 12 has been updated to include i) a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale and ii) a requirement that deferred tax on non-depreciable assets, measured using the revaluation model in IAS 16, should always be measured on a sale basis. These amendments will be applied retrospectively. This standard has not yet been endorsed by the EU. The Company does not expect that this amendment will have significant impact on the financial position or performance of the Company.

IAS 19 Employee Benefits (Amended)

Amended standard is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. With very few exceptions retrospective application is required. Numerous changes or clarifications are made under the amended standard. Among these numerous amendments, the most important changes are removing the corridor mechanism and making the distinction between short-term and other long-term employee benefits based on expected timing of settlement rather than employee entitlement. This standard has not yet been endorsed by the EU. The Company is in the process of assessing the impact of the amended standard on the financial position or performance of the Company.

IAS 27 Separate Financial Statements (Amended)

As a consequential amendment to IFRS 10 and IFRS 12, the IASB also amended IAS 27, which is now limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. Transitional requirement of this amendment is similar to IFRS 10. This standard has not yet been endorsed by the EU. The Company does not expect that this amendment will have significant impact on the financial position or performance of the Company.

IAS 28 Investments in Associates and Joint Ventures (Amended)

As a consequential amendment to IFRS 11 and IFRS 12, the IASB also amended IAS 28, which has been renamed IAS 28 Investments in Associates and Joint Ventures, to describe the application of the equity method to investments in joint ventures in addition to associates. Transitional requirement of this amendment is similar to IFRS 11. This standard has not yet been endorsed by the EU. The Company is in the process of assessing the impact of the amended standard on the financial position or performance of the Company.

IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial liabilities (Amended)

The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. This standard has not yet been endorsed by the EU. These amendments are to be retrospectively applied for annual periods beginning on or after 1 January 2014. The Company does not expect that these amendments will have significant impact on the financial position or performance of the Company.

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Notes to the financial statements as of December 31, 2011 (Currency-Turkish Lira (TL))

IFRS 7 Financial Instruments: Disclosures - Enhanced Derecognition Disclosure Requirements (Amended)

The purpose of this amendment is to allow users of financial statements to improve their understanding of transfer transactions of financial assets (e.g. securitizations), including understanding the possible effects of any risks that may remain with the entity which transferred the assets. The amendment also requires additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. This amendment has not yet been endorsed by the EU. The amendment is effective for annual periods beginning on or after 1 July 2011. Comparative disclosures are not required. The amendment affects disclosures only and will have no impact on the financial position or performance of the Company.

IFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities (Amended)

New disclosures would provide users of financial statements with information that is useful in (a) evaluating the effect or potential effect of netting arrangements on an entity's financial position and (b) analysing and comparing financial statements prepared in accordance with IFRSs and other generally accepted accounting standards. This standard has not yet been endorsed by the EU. The amendments are to be retrospectively applied for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The amendment affects disclosures only and will have no impact on the financial position or performance of the Company.

IFRS 9 Financial Instruments - Classification and Measurement

As amended in December 2011, the new standard is effective for annual periods beginning on or after 1 January 2015. Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial instruments. The amendments made to IFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option (FVO) liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. Early adoption is permitted. This standard has not yet been endorsed by the EU. The Company is in the process of assessing the impact of the new standard on the financial position or performance of the Company.

IFRS 10 Consolidated Financial Statements

The standard is effective for annual periods beginning on or after 1 January 2013 and is applied on a modified retrospective basis. This new Standard may be adopted early, but IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities should be also adopted early.

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. A new definition of control is introduced, which is used to determine which entities are consolidated. This is a principle based standard and require preparers of financial statements to exercise significant judgment. This standard has not yet been endorsed by the EU. The Company is in the process of assessing the impact of the new standard on the financial position or performance of the Company.

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IFRS 11 Joint Arrangements

The standard is effective for annual periods beginning on or after 1 January 2013 and is applied on a modified retrospective basis. This new Standard may be adopted early, but IFRS 10 Consolidated Financial Statements and IFRS 12 Disclosure of Interests in Other Entities should be also adopted early.

The standard describes the accounting for joint ventures and joint operations with joint control. Among other changes introduced, under the new standard, proportionate consolidation is not permitted for joint ventures. This standard has not yet been endorsed by the EU. The Company does not expect that this standard will have a significant impact on the financial position or performance of the Company.

IFRS 12 Disclosure of Interests in Other Entities

The standard is effective for annual periods beginning on or after 1 January 2013 and is applied on a modified retrospective basis. This new Standard may be adopted early, but IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements should be also adopted early.

IFRS 12 includes all of the disclosures that were previously in IAS 27 Consolidated and Separate Financial Statements related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 Interests in Joint Ventures and IAS 28 Investment in Associates. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. This standard has not yet been endorsed by the EU. Under the new standard the Company will provide more comprehensive disclosures for interests in other entities.

IFRS 13 Fair Value Measurement

The new Standard provides guidance on how to measure fair value under IFRS but does not change when an entity is required to use fair value. It is a single source of guidance under IFRS for all fair value measurements. The new standard also brings new disclosure requirements for fair value measurements. IFRS 13 is effective for annual periods beginning on or after 1 January 2013 and will be adopted prospectively. Early application is permitted. The new disclosures are only required for periods beginning after IFRS 13 is adopted – that is, comparative disclosures for prior periods are not required. This standard has not yet been endorsed by the EU. The Company is in the process of assessing the impact of the new standard on the financial position or performance of the Company.

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

The Interpretation is effective for annual periods beginning on or after 1 January 2013 with earlier application permitted. Entities will be required to apply its requirements for production phase stripping costs incurred from the start of the earliest comparative period presented. The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. This standard has not yet been endorsed by the EU. The interpretation is not applicable for the Company and will not have any impact on the financial position or performance of the Company.

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2.2. Summary of significant accounting policies

2.2.1. Basis of consolidation

Joint ventures

Joint ventures are those entities established to develop a project and the Company has joint control over its operations.

The table below demonstrates the controlling interest of the Company on the joint ventures:

Company	Shares of the Company (%)	
	December 31, 2011	December 31, 2010
Joint venture	-	50

The Company's share which is 50% of the assets, liabilities, shareholders' equity, profit and loss of the Joint Venture namely Yapı Kredi Koray Gayrimenkul Yatırım Ortaklığı Anonim Şirketi and Doğuş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi Ortak Girişimi has been consolidated in the financial statements as of December 31, 2010 and appropriate consolidation adjustments are made in order to prepare the consolidated financial statements. As of December 31, 2011, the closing entries of the Joint Venture have been completed, it is not subject to consolidation.

2.2.2. Offsetting

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

2.2.3. Revenue recognition

Sales revenue

Revenue is comprised of the sales income of the properties delivered and rent income obtained from investment properties. Sales income from property sales is recognized at the time of the delivery.

Rent income

Rent income is recognized on an accrual basis.

Interest income

Interest income is recognized on an accrual basis.

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2.2.4. Investment properties

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

Operating investment properties

Operating investment properties are carried at fair value determined by the independent appraiser firms. A gain or loss arising from a change in the fair value of investment property is recognised in profit or loss for the period when it arises.

Investment properties under development

Investment properties under development are investment properties in order to gain rent income, capital earnings or both in the future. Investment properties under development are presented at historical cost as explained below. Gain or loss resulted from the changes on the fair value of Investment properties under development is recognised in profit or loss for the period when it arises.

The Company's investment properties under development are comprised of "Doğuş GYO Ofis Kulesi Projesi" and as of December 31, 2011, the cost of this project is composed of advance payments made for services received regarding the project.

2.2.5. Tangible assets

Tangible assets acquired before January 1, 2005 are carried at restated cost for the effects of inflation in TL at December 31, 2004 less accumulated depreciation and impairment losses, and tangible assets acquired after January 1, 2005 are carried at acquisition cost less accumulated depreciation and impairment losses.

Subsequent expenditures

Expenditures incurred after the tangible assets have been put into operation are capitalized where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of tangible assets. All other subsequent expenditures are to be expensed in the comprehensive income statement related to the period when they are incurred.

Depreciation

Tangible assets are depreciated over the estimated useful lives of the related assets from the date of acquisition or the date of installation, on a straight-line basis, until December 31, 2004 over the restated cost for the effects of inflation and after December, 31 2004 over the cost. Leasehold improvements are depreciated on a straight-line basis over the lower of the periods of the respective leases and useful lives.

The estimated useful lives of tangible assets are as follows:

Furniture and fixture	5 years
Leasehold improvements	5 years

Costs incurred to replace a component of an item of tangible assets is capitalized whenever the replaced component leads to an increased future economic benefit to the respective tangible assets and gets depreciated over the remaining useful life of related assets. When assets are sold or otherwise disposed of, the resulting gain or loss is reflected in the other operational income and other operational expenses.

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2.2.6. Intangible assets

Intangible assets comprise software and rights. Software and rights are carried at restated cost at December 31, 2004 for the effects of inflation for the intangible assets acquired before January 1, 2005, and at acquisition cost for the intangible assets acquired after January 1, 2005, less accumulated amortization and impairment.

Intangible assets are amortized on a straight-line basis over their estimated useful lives for a period not exceeding 5 years from the date of acquisition.

2.2.7. Borrowing costs

All borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are being capitalized. Other borrowing costs were expensed as they incurred.

2.2.8. Financial instruments

Financial instruments are composed of cash and cash equivalents, trade receivables, trade payables and borrowings.

Cash and cash equivalents

Cash and cash equivalents comprise cash and balances with banks with an original maturity of three months or less. Cash and cash equivalents are short term and highly liquid assets which can easily be converted into cash, with an original maturity of maximum three months and without carrying an insignificant risk of impairment. Balances at banks are recognized at their acquisition costs and measured at their amortized cost by using effective interest rate method.

Trade receivables

Trade receivables are recorded at their net values after deducting the allowances for doubtful receivables. It is assumed that the carrying values of the trade receivables after deducting the allowances for doubtful receivables are close to their fair values since they are short-term. The estimation is made for the allowance for doubtful receivables when there is no possibility of collection. Allowances for doubtful receivables are provided when such circumstances is identified.

Trade payables

Trade payables and other monetary liabilities are recorded with their carrying values. It is assumed that the carrying values of trade payables and other monetary liabilities are close to their fair values since they are short-term.

Borrowings

Borrowings are recorded at fair values at recognition and subsequently measured at their amortized costs by using effective interest rates.

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Impairment on financial assets

The Company evaluates whether there exists objective evidence of impairment on a financial asset or in a group of financial assets at each balance sheet date. If any such indication exists, the Company estimates the amount of impairment.

A financial asset or group of financial assets, if, and only if after the initial recognition of the existence of one or more events ("damage / loss event") that damage occurred and the event (or events) to the financial asset or asset group, a reliable estimate impact on the estimated future cash flows that can be related to impairment as a result of the presence of a neutral indicator suffers from impaired and impairment loss occurs.

Recognition and derecognition of financial assets and liabilities

The financial assets and liabilities are recognised in balance sheet when the Company adheres within related contracts. A financial asset is derecognised totally or partially when the control over the contractual rights that comprise that asset is lost. A financial liability is derecognised when the rights are realised, expire or are surrendered.

2.2.9. Foreign currency transactions

Transactions in foreign currencies are converted at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are converted into TL at the exchange rates prevailing at the balance sheet date. Exchange gains or losses arising from such transactions and the conversion of foreign currency items are presented in the comprehensive income statement.

The foreign exchange rates used by the Company are as follows;

	December 31, 2011	December 31, 2010
USD	1.8889	1.5460
Euro	2.4438	2.0491

2.2.10. Earnings per share

Earnings per share are calculated by dividing net profit for the period by the weighted average number of shares outstanding during the period. Weighted average number of shares outstanding is the sum of the number of ordinary shares at the beginning of the period and number of shares recalled or issued during the period, multiplied by a time-weight factor. Time-weight factor is the ratio of number of days a certain amount of shares has been issued to the total days of the period.

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2.2.11. Subsequent events

Subsequent events are events that occur between balance sheet date and reporting date and may impact the Company positively or negatively. If there is evidence of such events as of balance sheet date or if such events occur after balance sheet 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.

2.2.12. 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 accompanying notes.

Contingent assets are not recognized until it is realized but disclosed in the accompanying notes.

2.2.13. Accounting policies, changes in accounting estimates and errors

Material changes in accounting policies and material accounting errors are adjusted retrospectively and prior periods' financial statements are restated. If the changes in accounting estimates relate to a specific period, they are applied in the period they relate to whereas if the changes are related to future periods, they are applied both in the period the change is made and prospectively in the future periods.

2.2.14. Leasing transactions

Finance lease

Finance lease is the transfer of all the risks and benefits related to the ownership of the assets to the lessee in accordance with a financial lease agreement. Leased assets are presented by the lower of present value of the minimum lease payments at the balance sheet date and the fair value of the assets less accumulated depreciation and impairment costs in the financial statements. The financial lease liabilities decrease by the payments of the principal and the interest payments are recognized as expense in the comprehensive income statement.

Operational lease

Operational lease transactions are recognized in the comprehensive income statement in the period they incur.

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2.2.15. Related parties

(a) A person or a close member of that person's family is related to a reporting entity if that person:

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b) An entity is related to a reporting entity if any of the following conditions applies:

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture a third entity and the other the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) (a) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services, or obligations between a reporting entity and a related party, regardless of whether a price is charged.

2.2.16. Government grants

None.

2.2.17. Taxes on income

Since the Company run their operations in real estate investment and minimum 49% of their share is publicly traded, the revenue of the Company is exempted from tax in accordance with the Corporate Tax Law.

2.2.18. Employee benefits/ reserve for severance payments

a) Defined benefit plans

In accordance with the existing social legislation in Turkey, the Company is required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct.

The Company reflected a liability calculated using actuarial valuation methods and based on upon factors derived using their experience of personnel terminating their services and being eligible to receive retirement pay and discounted by using the current market yield at the balance sheet date on government bond.

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The actuarial assumptions used are as follows;

	December 31, 2011	December 31, 2010
Discount rate	10%	10%
Expected rates of salary/limit increases	5.1%	5.1%

Reserve for severance payment is calculated by using the ceiling amount announced by the Government. At December 31, 2011 and December 31, 2010, the ceiling amounts are TL 2,732 and TL 2,365, respectively. Due to the lack of any legal obligation, this obligation has not been allocated any funding.

b) Defined contribution plans

The Company is required to pay contributions to Social Security Funds ("Fund") for an amount determined by legal regulations. The Company has no further payment obligations either to its employees or to the Fund once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

Pension plans

The Company does not have any post employment benefit plans.

2.2.19. Segment reporting

Since the Company has only one business segment and runs its operations only in Turkey, segment reporting has not been prepared.

3. CASH AND CASH EQUIVALENTS

As of December 31, 2011 and 2010 cash and cash equivalents are as follows:

	December 31, 2011	December 31, 2010
Cash at banks - time deposits	25,733,584	15,087,523
Cash at banks - demand deposits	167,287	8,439
Cash on hand	1,540	608
Cash and cash equivalents at the balance sheet	25,902,411	15,096,570
Time deposit interest accrual	(116,225)	(25,046)
Cash and cash equivalents at the statement of cash flow	25,786,186	15,071,524

As of December 31, 2011 the Company has time deposits in USD with average 39 days maturity and 4.85% interest rate; and also TL time deposits with 8% - 12% average interest rate with 1-40 days average maturity (As of December 31, 2010, the Company has time deposit in USD with 30 days maturity and 3.10% interest rate and time deposits in TL with average interest rate of 8.5%).

There is no blockage on the bank deposits.

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4. TRADE RECEIVABLES AND PAYABLES

As of December 31, 2011 and 2010 trade receivables of the Company are as follows:

	December 31, 2011	December 31, 2010
Trade receivables	108,292	14,391
Due from related parties (Note 23)	209,552	-
Doubtful receivables	215,416	231,416
Allowance for doubtful receivables	(215,416)	(231,416)
Balance at the end of the period	317,844	14,391

The movements of allowances for doubtful trade receivables for the periods ended December 31, 2011 and 2010 are as follows:

	December 31, 2011	December 31, 2010
Balance at January 1	231,416	198,650
Provision during the period (Note 17)	-	32,766
Collections from doubtful receivables	(16,000)	-
Balance at end of period	215,416	231,416

As of December 31, 2011 and 2010 trade payables of the Company are as follows:

	December 31, 2011	December 31, 2010
Other trade payables	95,727	837,152
Due to related parties (Note 23)	119,152	13,861
Total	214,879	851,013

Other trade payables consist of the payables to suppliers.

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5. OTHER RECEIVABLES AND PAYABLES

The other receivables of the Company as of December 31, 2011 and 2010 are as follows:

	December 31, 2011	December 31, 2010
Due from related parties (Note 23) (Non-current)	-	463,165
Other receivables (Current)	104,961	115,812
Total	104,961	578,977

The other payables of the Company are as follows:

	December 31, 2011	December 31, 2010
Deposits taken	22,042	31,653
Total	22,042	31,653

6. INVESTMENT PROPERTIES

As of December 31, 2011 and 2010, investment properties of the Company are as follows:

	December 31, 2011	December 31, 2010
Operating investment properties	158,593,000	155,550,001
Investment properties under development	3,498,135	3,444,764
Total	162,091,135	158,994,765

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The movements of operating investment properties as of December 31, 2011 and 2010 are as follows:

	December 31, 2011	December 31, 2010
1 January	155,550,001	152,623,292
Additions	277,369	-
Disposals	-	-
Value increase (Note 17)	2,765,630	2,926,709
Fair value	158,593,000	155,550,001

As of December 31, 2011, the total insurance amount on the investment property, except Maslak Doğuş Power Center (DPC), is EUR 1,476,664 (December 31, 2010 - USD 2,176,541). The insurance value on DPC, as of December 31, 2011 amounted to EUR 34,522,093 (December, 31 2010 - USD 39,537,914).

There is not any mortgage or lien on the investment properties.

As of December 31, 2011 the fair value of the investment properties comprised of the following:

Description	Valuation method	Independent appraiser's report date	Fair value
Antalya 2000 Shopping Mall	"Market prices"	November 16, 2011	6,755,000
Maslak DPC	"Discounted cash flow"	November 16, 2011	151,838,000
Total			158,593,000

As of December 31, 2010 the fair value of the investment properties comprised of the following:

Description	Valuation method	Independent appraiser's report date	Fair value
Antalya 2000 Shopping Mall	"Market prices"	December 6, 2010	5,855,001
Maslak DPC	"Discounted cash flow"	December 6, 2010	149,695,000
Total			155,550,001

As of December 31, 2011, increase in fair value amounting to TL 2,765,630 was reflected to the comprehensive income statement. Decrease in fair value as of December 31, 2010 amounting to TL 2,926,709 was reflected to the comprehensive income statement. The investment properties are carried at fair value determined by independent professional appraisal firms that are qualified and certified by Capital Market Board on the basis of market value supported by market evidence. The independent appraisal firm has determined the value of the investment properties on the basis considering the results of the market research analysis, geographic location, area, physical conditions and market conditions.

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At December 31, 2011 the movement schedule for investment property under development is as follows:

	January 1, 2011	Additions	Disposals	December 31, 2011
Investment property under development	3,444,764	53,371	-	3,498,135
Total	3,444,764	53,371	-	3,498,135

	January 1, 2010	Additions	Disposals	December 31, 2010
Investment property under development	3,438,264	6,500	-	3,444,764
Total	3,438,264	6,500	-	3,444,764

Due to the 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 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 reliably 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 under development is composed "Doğuş GYO Office Tower Project"; of which details are explained below.

DOĞUŞ GYO OFFICE TOWER PROJECT

The Project about constructing an office building on the Maslak DPC land which belongs to the Company started in May 2008. However according to the Board of Directors resolution dated October 21, 2008 and numbered 242, the Company has decided to defer the Office Tower Project to the following periods due to the ongoing economic conditions not meeting the Company's profit expectations.

There is no mortgage on investment properties.

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7. TANGIBLE ASSETS

The movement of the tangible assets as of December 31, 2011 and 2010 are as follows:

Cost	January 1, 2011	Additions	Disposals	Transfers	December 31, 2011
Furniture and fixture	534,824	803,367	(91,935)	307,458	1,553,714
Leasehold improvements	593,207	-	(285,749)	(307,458)	-
	1,128,031	803,367	(377,684)	-	1,553,714

Accumulated depreciation	January 1, 2011	Current period charge	Disposals	Transfers	December 31, 2011
Furniture and fixture	(381,383)	(141,609)	85,358	(307,458)	(745,092)
Leasehold improvements	(589,019)	-	281,561	307,458	-
	(970,402)	(141,609)	366,919	-	(745,092)
Tangible assets, net	157,629			-	808,622

Cost	January 1, 2010	Additions	Disposals	December 31, 2010
Furniture and fixture	464,576	70,248	-	534,824
Leasehold improvements	593,999	-	(792)	593,207
	1,058,575	70,248	(792)	1,128,031

Accumulated depreciation	January 1, 2010	Current period charge	Disposals	December 31, 2010
Furniture and fixture	(311,531)	(69,852)	-	(381,383)
Leasehold improvements	(584,854)	(4,957)	792	(589,019)
	(896,385)	(74,809)	792	(970,402)
Tangible assets, net	162,190			157,629

As of December 31, 2011, the tangible assets are insured to the extent of EUR 554,024 (TL 1,353,924) (December 31, 2010 -TL 570,941). As of December 31, 2011 and 2010 there is no mortgage on tangible assets.

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8. INTANGIBLE ASSETS

The movement of the intangible assets for the years ended December 31, 2011 and 2010 are as follows:

Cost	January 1, 2011	Additions	Disposals	December 31, 2011
Rights	97,938	70,050	(36,224)	131,764
	97,938	70,050	(36,224)	131,764

Accumulated amortization	January 1, 2011	Current period charge	Disposals	December 31, 2011
Rights	(88,027)	(7,885)	36,224	(59,688)
	(88,027)	(7,885)	36,224	(59,688)
Intangible assets, net	9,911			72,076

Cost	January 1, 2010	Additions	Disposals	December 31, 2011
Rights	95,040	2,898	-	97,938
	95,040	2,898	-	97,938

Accumulated amortization	January 1, 2010	Current period charge	Disposals	December 31, 2011
Rights	(85,762)	(2,265)	-	(88,027)
	(85,762)	(2,265)	-	(88,027)
Intangible assets, net	9,278			9,911

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9. EMPLOYEE BENEFITS

As of December 31, 2011 the short-term provision for vacation pay liability is amounting to TL 82,586 (December 31, 2010 - TL 60,286) and the long-term provision for employee termination benefits is amounting to TL 1,138 (December 31, 2010 - TL 923).

Movement of the provision for employee termination benefits during the period is as follows:

	December 31, 2011	December 31, 2010
Balance at January 1	923	229
Paid during the period	-	-
Current period provision	215	694
Balance at end of period	1,138	923

The reserve is calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees and presented in the financial statements.

Movement of the unused vacation pay liabilities during the period is as follows:

	December 31, 2011	December 31, 2010
Balance at January 1	60,286	31,716
Paid during the period	-	-
Current period provision	22,300	28,570
Balance at end of period	82,586	60,286

The vacation pay liability is the full obligation of the Company arising from the undiscounted liability of the deserved but unused vacation days of the employees.

10. PROVISIONS, COMMITMENTS AND CONTINGENCIES

As of December 31, 2011, the Company has no provisions, commitments and contingencies (December 31, 2010 - The Company was the guarantor of bank loans obtained by the customers for Evidea project amounting to TL 11,000 at ING BANK A.Ş.).

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11. PROVISIONS

As of December 31, 2011 provisions amounting to TL 190,000 are comprised of TL 40,000 for rental agreement and other related expenses and TL 150,000 for personnel premiums. (As of December 31, 2010, provisions amounting to TL 365,282 are comprised of TL 235,282 which is provided for the lawsuit related to the termination of the agreement of the Company's previous office building and TL 130,000 for personnel premiums).

12. OTHER CURRENT/NON-CURRENT ASSETS AND OTHER CURRENT LIABILITIES

As of December 31, 2011 and 2010, the details of other currents assets are as below:

	December 31, 2011	December 31, 2010
Deferred value added tax (*)	-	1,488,887
Prepaid expenses	2,520	18,265
Job advances	4,354	-
Other	13,453	15,690
Total	20,327	1,522,842

(*) As of December 31, 2011 the Company has no value added taxes. Value added tax arised from expenses made for project of Joint Venture, amounting to TL 519,441 is recognized in the comprehensive income statement as other expenses (TL 975,710 of value added tax is comprised from expenses made for project which started in December 21, 2000 by acquisition of the land placed in Maslak and TL 509,788 of short term value added tax arised from expenses made for residence project in Ümraniye by Joint Venture and TL 3,389 of other expenses of the Joint Venture realized in 2010).

As of December 31, 2011, other non-current assets amounting to TL 9,363 (December 31, 2010 - TL 11,348) consist of deposits given.

Other liabilities:

As of December 31, 2011 and 2010, the details of other short term liabilities are as follows:

	December 31, 2011	December 31, 2010
Taxes and duties other fees	265,838	39,417
Other	307,538	431
	573,376	39,848

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13. MINORITY INTEREST

As of December 31, 2010, there is no minority interest in the accompanying financial statements since 50% of the assets, liabilities, shareholders' equity, profit and loss of the joint venture namely Yapı Kredi Koray GYO A.Ş. and Doğuş GYO AŞ Ortak Girişimi are proportionately consolidated in the accompanying financial statements. As of December, 31 2011 due to the closure of Joint Venture, there is no company subject to consolidation.

14. SHAREHOLDER'S EQUITY

Share capital

As of December 31, 2011, the share capital of the Company is TL 93,780,000 (December 31, 2010: TL 93,780,000).

As of December 31, 2011 and 2010, the share capital of the Company consists of 1.874.850 registered units and 91,905,150 bearer units, in total 93,780,000 units of shares, with a nominal value of TL 1 each.

Restricted reserves allocated from net profit

As of December 31, 2011 and 2010 the restricted reserves allocated from net profit consist of legal reserves.

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code (TCC). The first legal reserve is appropriated out of the statutory profits at the rate of 5%, until the total reserve reaches a maximum of 20% of the Company's restated share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's restated share capital. The legal reserves are only available for netting off losses unless they exceed 50% of the historical paid-in share capital otherwise they are not allowed to be used for other purposes.

Retained earnings

As of December 31, 2011 and 2010 retained earnings and net profit for the period of the Company, based on the statutory books are TL 16,530,404 and TL 12,853,448, respectively.

Dividend distribution

According to the decision taken at the Ordinary General Assembly Meeting held on March 16, 2011 which was initially proposed to the Ordinary General Assembly by the Board of Directors in compliance with the Capital Market Board Rules and Regulations, the profit of 2010 fiscal year is decided and not to be distribute as dividend and to be transferred to the reserves under equity.

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15. OPERATING INCOME

For the periods ended December 31, 2011 and 2010, revenue and cost of sales are as follows:

	December 31, 2011	December 31, 2010
Rent income	12,324,978	10,044,684
Other	85,744	128,837
Sales income	12,410,722	10,173,521
Operating expenses	370,451	-
Other costs	1,523,504	1,854,949
Cost of goods sold	1,893,955	1,854,949

16. GENERAL ADMINISTRATIVE EXPENSES

For the periods ended December 31, 2011 and 2010, general administrative expenses are as follows:

	December 31, 2011	December 31, 2010
Personnel expenses	1,324,036	1,171,289
Consultancy expenses	96,765	209,886
Rent expenses	65,174	160,397
Vehicle expenses	123,392	93,495
Depreciation and amortization	149,494	77,074
Head office expenses	84,306	69,910
Membership expenses and fees	24,376	61,810
Istanbul stock exchange expenses	68,907	45,926
Tax and duties	39,238	51,973
Computer expenses	36,655	40,036
Provision expense	-	36,282
Communication expenses	30,542	29,449
Other	109,336	114,263
	2,152,221	2,161,790

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17. OTHER OPERATING INCOME/EXPENSE

For the periods ended December 31, 2011 and 2010, other operating income and expenses are as follows:

Other operating income

	December 31, 2011	December 31, 2010
Investment property valuation difference (Note 6)	2,765,630	2,926,709
Insurance coverage income	-	8,029
Prior period expense collected in the current period	137,342	6,492
Other	71,784	53,339
	2,974,756	2,994,569

Other operating expense

	December 31, 2011	December 31, 2010
Allowance for deferred VAT (Note 12)	519,441	-
Allowance for doubtful receivables (Note 4)	-	32,766
Early cancellation expense of rent contract	-	72,034
Other	137,281	43,372
	656,722	148,172

18. FINANCIAL INCOME

For the periods ended December 31, 2011 and 2010, the financial incomes are as follows:

	December 31, 2011	December 31, 2010
Foreign exchange gains	832,617	1,356,560
Interest income	1,694,040	478,923
	2,526,657	1,835,483

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19. FINANCIAL EXPENSES

For the periods ended December 31, 2011 and 2010, the financial expenses are as follows:

	December 31, 2011	December 31, 2010
Foreign exchange loss on borrowings	3,947	1,064,570
Interest expenses on borrowings	-	34,059
Interest expenses on finance leases	-	473
Other foreign exchange losses	-	28,074
	3,947	1,127,176

20. DISCONTINUED OPERATIONS

The Company does not have any discontinued operations for the years 2011 and 2010.

21. TAXATION

In accordance with the Corporate Tax Law, the income of the Company is exempted from taxation since it does not have any operations 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 have any deferred tax assets and liabilities.

22. EARNINGS PER SHARE

Earnings per share are calculated by dividing net income for the period by the weighted average number of shares of the Company during the period. The earnings per share computation is as follows:

	December 31, 2011	December 31, 2010
Net profit for the period	13,205,290	9,711,486
Weighted average number of shares		
Weighted average number of shares	93,780,000	93,780,000
Earnings per share (TL)	0.1408	0.1036

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23. RELATED PARTIES

As of December 31, 2011 and 2010, the balances with the related parties are as follows:

	December 31, 2011	December 31, 2010
Trade receivables from related parties:		
Doğuş Spor Kompleksi Yat. Ve İşl. A.Ş. (1)	200,806	-
Doğuş Oto Pazarlama Tic. A.Ş. (1)	8,746	-
Other receivables from related parties:		
Joint venture (*) (Note 5)	-	463,165
Total	209,552	463,165

(*) As of December 31, 2011 due to the closure of the "Joint Venture" the Company has no receivables (As of December 31, 2010, the receivable amounted to TL 463,165 within due from related parties balance, is the residual amount of the receivable of the other partner of "Joint venture" that remains in the financial statements and after the proportionate consolidation of the "Joint venture").

Credit risk and aging of due from/to related parties balances are disclosed in Note 24.

As of December 31, 2011 and December 31, 2010, there is no guarantee given to/taken from related parties.

	December 31, 2011	December 31, 2010
Due to related parties:		
Garanti Bilişim Teknoloji ve Ticaret A.Ş. (1)	12,740	-
Doğuş Power Center Yöneticiliği (1)	7,802	2,094
Antalya 2000 Plaza (2)	98,610	-
Doğuş Otomotiv Servis ve Tic. A.Ş. (1)	-	3,654
Doğuş Yayın Grubu A.Ş. (1)	-	4,461
Doğuş Oto Pazarlama ve Tic. A.Ş. (1)	-	3,652
Total	119,152	13,861

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(1) An affiliate of Doğuş Holding A.Ş.

(2) The Company's real estate management

The bank balances at Türkiye Garanti Bankası A.Ş., which is the related party of the Company, and Garanti Bank International, which is the subsidiary of Türkiye Garanti Bankası A.Ş., as of December 31, 2011 are as follows:

	December 31, 2011	December 31, 2010
Türkiye Garanti Bankası A.Ş. - Malta Branch (1)	21,305,000	14,912,477
Türkiye Garanti Bankası A.Ş. (1)	166,805	154,253
Garanti Bank International - Romania (1)	-	-
Total	21,471,805	15,066,730

(1) An affiliate of Doğuş Holding A.Ş.

The Company's related party transactions as of December 31, 2011 and 2010 are summarized as follows:

	December 31, 2011	December 31, 2010
Rent income		
Doğuş Oto Pazarlama Ticaret A.Ş. (1)	4,420,760	976,965
Doğuş Yayın Grubu A.Ş. (1)	3,377,104	783,767
Doğuş Spor Kompleksi Yatırım ve İşletme A.Ş. (1)	1,287,725	1,140,327
Doğuş Otomotiv Servis ve Otomotiv A.Ş. (1)	358,906	4,171,052
A Yapım Radyo ve Televizyon Yapımcılığı A.Ş. (1)	491,413	434,663
Garanti Emeklilik ve Hayat A.Ş.	25,266	18,000
Garanti Finansal Kiralama A.Ş. (1)	7,670	6,820
Türkiye Garanti Bankası A.Ş. (1)	111,396	81,129
Service expense		
Leaseplan Otomotiv Servis ve Tic. A.Ş.	100,049	67,841
Garanti Bilişim Tekn. ve Tic. A.Ş.	64,870	48,085
Int Interest income from repurchase agreements and time deposits - Türkiye Garanti Bankası A.Ş. (1)	1,682,989	490,167

All incomes from related parties are generated from Doğuş Holding A.Ş. affiliates.

Key management personnel benefit:

Remuneration and fees paid to the key management personnel for the period ended as of December 31, 2011 is amounting to TL 295,683 (December 31, 2010 - TL 258,257).

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24. FINANCIAL RISK MANAGEMENT

Interest rate risk

The Company invests its cash values on marketable securities or bank deposits. The interest bearing assets and liabilities of the Company are as follows:

Financial instruments with fixed interest rate	December 31, 2011	December 31, 2010
Cash and cash equivalents (bank time deposits)	25,733,584	15,087,523
Financial liabilities	-	-

The Company is not exposed to any interest rate risk as of December 31, 2011 and 2010, since the Company does not have any financial assets or liabilities with variable interest rate.

Foreign currency risk

The Company is exposed to the foreign exchange risk while translating foreign currency assets and liabilities into Turkish Lira, by the reason of change in exchange rates.

Since the Company makes the rental contracts in terms of USD, payables of the Company are mainly based on USD.

As of December 31, 2011 and 2010, the foreign currency position of the Company is as follows:

	December 31, 2011 (TL)	December 31, 2010 (TL)
Foreign currency assets	4,478,129	9,350,000
Foreign currency liabilities	(10,030)	(12,152)
Net position	4,468,099	9,337,848

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Detailed per currency:

	Currency type	December 31, 2011		Currency type	December 31, 2010	
		Original currency	TL amount		Original Currency	TL amount
Assets						
Cash and cash equivalents	USD	2,369,860	4,476,428	USD	6,047,865	9,350,000
	EURO	696	1,701	EURO	-	-
Total			4,478,129			9,350,000
Liabilities						
Other liabilities	USD	(5,310)	(10,030)	USD	(7,860)	(12,152)
Total			(10,030)			(12,152)
Net position			4,468,099			9,337,848

Exchange rate sensitivity table

December 31, 2011

	Increase in value of foreign currency	Profit/(Loss) Decrease in value of foreign currency
Increase / decrease in the USD against TL by 10%:		
1-USD denominated net asset / (liability)	446,640	(446,640)
2-USD denominated hedging instruments(-)	-	-
3-Net Effect of USD (1+2)	446,640	(446,640)
Total	446,640	(446,640)

December 31, 2010

	Increase in value of foreign currency	Profit/(Loss) Increase in value of foreign currency
Increase / decrease in the USD against TL by 10%:		
1-USD denominated net asset / (liability)	933,785	(933,785)
2-USD denominated hedging instruments(-)	-	-
3-Net Effect of USD (1+2)	933,785	(933,785)
Total	933,785	(933,785)

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Credit risk

Ownership of financial assets are exposed to the risk of the counter party's violating the conditions of agreements. These risks are controlled by assessing of credits and restriction of cumulative risk of other parties.

Ageing schedule of doubtful receivables is as follows:

	December 31, 2011	December 31, 2010
0-30 days	-	-
31-60 days	-	-
121-180 days	-	-
Over 180 days	215,416	231,416
Total	215,416	231,416

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As of December 31, 2011 and 2010, the Company's assets subject to credit risk are as follows:

Credit risk

December 31, 2011	Trade receivables		Receivables				
	Related parties	Third parties	Related parties	Third parties	Bank deposits	Derivatives	Other
Exposure to maximum credit risk as of reporting date (A+B+C)	209,552	108,292	-	104,961	25,900,871	-	-
A) Net book value of financial assets neither overdue nor impaired	209,552	108,292	-	104,961	25,900,871	-	-
B) Net book value of financial assets overdue but not impaired							
- Under guarantee	-	-	-	-	-	-	-
C) Net book value of impaired assets							
- Overdue (Gross book value)	-	215,416	-	-	-	-	-
- Impairment (-)	-	(215,416)	-	-	-	-	-
- Net value under guarantee							
- Not overdue (gross book value)							
- Impairment (-)	-	-	-	-	-	-	-
- Net value under guarantee	-	-	-	-	-	-	-

As at the date of balance sheet aging of overdue but not impaired financial assets are as follows:

December 31, 2011	Receivables				
	Trade receivables	Other receivables	Bank deposits	Derivatives	Other
1-30 days overdue	-	-	-	-	-
1-3 months overdue	-	-	-	-	-
3-12 months overdue	-	-	-	-	-
1-5 years overdue	-	-	-	-	-
Overdue more than 5 years	-	-	-	-	-

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As of December 31, 2011 and 2010, the Company's assets subject to credit risk are as follows:

Credit risk

December 31, 2011	Receivables						
	Trade receivables		Other receivables		Bank deposits	Derivatives	Other
	Related parties	Third parties	Related parties	Third parties			
Exposure to maximum credit risk as of reporting date (A+B+C)	-	14,391	463,165	115,812	15,095,962	-	-
A) Net book value of financial assets neither overdue nor impaired	-	14,391	463,165	115,812	15,095,962	-	-
B) Net book value of financial assets overdue but not impaired	-	-	-	-	-	-	-
- Under guarantee	-	-	-	-	-	-	-
C) Net book value of impaired assets	-	-	-	-	-	-	-
- Overdue (Gross book value)	-	231,416	-	-	-	-	-
- Impairment (-)	-	(231,416)	-	-	-	-	-
- Net value under guarantee	-	-	-	-	-	-	-
- Not overdue (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Net value under guarantee	-	-	-	-	-	-	-

As at the date of balance sheet aging of overdue but not impaired financial assets are as follows:

December 31, 2010	Receivables				
	Trade receivables	Other receivables	Bank deposits	Derivatives	Other
1-30 days overdue	-	-	-	-	-
1-3 months overdue	-	-	-	-	-
3-12 months overdue	-	-	-	-	-
1-5 years overdue	-	-	-	-	-
Overdue more than 5 years	-	-	-	-	-

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Liquidity risk

Liquidity risk expresses the risk of the inability to repay the financial liabilities of the Company at their maturities. The Company's liquidity management approach bases on the principle comprised of possessing adequate liquidity at each period and preventing demaging the Company in accordance with financially and nominally in the due dates of maturity, under both the ordinary and extraordinary circumstances. Liquidity risk is managed by ensuring adequate financing facilities from financial institutions to fund current and future possible debt requirements in order not to have any financial or reputational loss.

The maturity profile of monetary liabilities according to remaining maturities as of December 30, 2011 and 2010 are summarized as follows:

	Book value	Total cash outflow according to agreement	0-3 months	3-12 months	1-5 years	December 31, 2011 More than 5 years
Monetary liabilities						
Trade payables	214,879	214,879	214,879	-	-	-
Other payables and liabilities	595,148	595,148	595,148	-	-	-
Total monetary liabilities	810,297	810,297	810,297	-	-	-

	Book value	Total cash outflow according to agreement	0-3 months	3-12 months	1-5 years	December 31, 2010 More than 5 years
Monetary liabilities						
Trade payables	851,013	851,013	851,013	-	-	-
Other payables and liabilities	71,501	71,501	71,501	-	-	-
Total monetary liabilities	922.514	922.514	922.514	-	-	-

Financial assets

The fair values of cash and cash equivalents are estimated to approximate carrying values due to their short-term nature and insignificant amount of credit risk. The carrying values of trade receivables along with the related allowances for uncollectibility are estimated to be their fair values. Fair value hierarchy table is not provided since there are not any financial assets or liabilities those have to be disclosed with fair value other than these.

Financial liabilities

The fair values of trade payables and other monetary liabilities are estimated to approximate carrying values due to their short-term nature. The fair values of bank borrowings are considered to approximate their respective carrying values and the transaction costs are added to their initial costs. The carrying values of bank borrowings are estimated to be their fair values due to their short term nature.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company has to maintain a degree supporting the policies related to its capital structure. The Company management takes the necessary precautions in order to meet the capital needs. There are no changes in targets, policies and processes as of December 31, 2011 and December 31, 2010. Dividend distributions are made according to Capital Market Board regulations.

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25. SUBSEQUENT EVENTS

None.

26. DISCONTINUED OPERATIONS, OTHER MATTERS WHICH ARE SIGNIFICANT TO THE FINANCIAL STATEMENTS OR WHICH SHOULD BE DISCLOSED FOR THE PURPOSE OF INTERPRETATION, TRUE AND FAIR PRESENTATION OF THE FINANCIAL STATEMENTS

None.

27. ADDITIONAL NOTE: MONITOR COMPLIANCE OF PORTFOLIO RESTRICTIONS

The information given at this note, the summary of information derived from financial statements in accordance with CMB's Serial:XI No:29 Article:17 :“ Principles of Financial Reporting in Capital Markets “ (“the Communiqué”) prepared in accordance with the CMB's Serial: VI No:11 “Real Estate Investment Trust” (“the Communiqué”)’s rule about monitor compliance of portfolio restrictions. In addition, these information given in this footnote is the Company's non-consolidated data as of December 31, 2010 and these information can not correspond to consolidated financial statements.

Non-Consolidated (Standalone) Financial Statement Primary Account Items		Regulations	December,31 2011 (TL)	December,31 2010 (TL)
A	Monetary and Capital Market Instruments	Serial: VI, No: 11, Article:27/(b)	25,902,411	15,092,554
B	Real Estates,Projects based on Real Estates , Rights based on Real Estates	Serial: VI, No: 11, Article:27/(a)	162,091,135	158,994,765
C	Subsidiaries	Serial: VI, No: 11, Article:27/(b)	-	-
	Due from related parties (non-trade)	Serial: VI, No: 11, Article:24/(g)	-	-
	Other assets		1,333,193	1,310,048
D	Total assets	Serial: VI, No: 11, Article., Md.4/(i)	189,326,739	175,397,367
E	Financial liabilities	Serial: VI, No: 11, Article..35	-	-
F	Other financial liabilities	Serial: VI, No: 11, Article..35	-	-
G	Leasing payables	Serial: VI, No: 11, Article..35	-	-
H	Due to related parties (non-trade)	Serial: VI, No: 11, Article..24/(g)	-	-
i	Equity	Serial: VI, No: 11, Article..35	188,242,718	174,849,012
	Other Liabilities		1,084,021	548,355
D	Total Liabilities	Serial: VI, No: 11, Article..4/(i)	189,326,739	175,397,367

Non Consolidated (Standalone) Other Financial Information		Regulations	December,31 2011 (TL)	December,31 2010 (TL)
A1	Financial Markets Instruments held for three years payment of Real Estates	Serial: VI, No: 11, Article..27/(b)	-	-
A2	Time Deposit/Demand Deposit/ TL/Foreign Currency	Serial: VI, No: 11, Article..27/(b)	25,902,411	15,092,554
A3	Foreign Capital Market Instruments	Serial: VI, No: 11, Article..27/(c)	-	-
B1	Foreign Real Estates, Projects based on Real Estates, Rights based on Real Estates	Serial: VI, No: 11, Article..27/(c)	-	-
B2	Idle Land	Serial: VI, No: 11, Article..27/(d)	-	-
C1	Foreign Subsidiaries	Serial: VI, No: 11, Article..27/(c)	-	-
C2	Subsidiaries (Operating Companies)	Serial: VI, No: 11, Article..32/A	-	-
J	Non-cash loans	Serial: VI, No: 11, Article..35	-	-
K	Mortgage Amounts on Land that Project to be Developed and the Ownership Does Not Belong the Partnership	Serial: VI, No: 11, Article..25/(n)	-	-

INDEPENDENT AUDITOR'S REPORT

(Convenience translation of financial statements and independent auditor's report originally issued in Turkish)

DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

Notes to the financial statements as of December 31, 2011 (Currency-Turkish Lira (TL))

Portfolio Restrictions	Regulation	Calculation	Min./Max. Rate	December,31 2011 (TL)	December,31 2010 (TL)
1 Mortgage Amounts on Land that Project to be Developed and the Ownership Does Not Belong the Partnership	Serial: VI, No: 11, Article.25/(n)	K/D	Maximum 10%	0%	0%
2 Real Estates,Projects based on Real Estates , Rights based on Real Estates	Serial: VI, No: 11, Article.27/(a),(b)	(B+A1)/D	Minimum 50%	86%	91%
3 Monetary and Capital Market Instruments and Subsidiaries	Serial: VI, No: 11, Article.27/(b)	(A+C-A1)/D	Maximum 50%	14%	9%
4 Foreign Real Estates, Projects based on Real Estates, Rights based on Real Estates,Subsidiaries, Capital Market Instruments	Serial: VI, No: 11, Article.27/(c)	(A3+B1+C1)/D	Maximum 49%	0%	0%
5 Idle Land	Serial: VI, No: 11, Article.27/(d)	B2/D	Maximum 20%	0%	0%
6 Subsidiaries (Operating Companies)	Serial: VI, No: 11, Article.32/A	C2/D	Maximum 10%	0%	0%
7 Borrowing Limit	Serial: VI, No: 11, Article.35	(E+F+G+H+J)/İ	Maximum 500%	0%	0%
8 Demand Deposit/Time deposit/TL/Foreign currency(*)	Serial: VI, No: 11, Article.27/(b)	(A2-A1)/D	Maximum 10%	14%	9%

(*) The Company will take precatution and make applicable with the portfolio restrictions rates which the Company can not settle with,until December 31, 2012 as stated in the Communiqué; in accordance with CMB's Serial: VI No: 29 "Amendments of Real Estate Investment Trust" ("the Communiqué") which is published at in the Official July 28, 2011 Gazette numbered 28008 and put into legislation beginning from December 31, 2011.

THE AUDIT REPORT

Auditor's Report issued as per the Provisions of the Turkish Commercial Code

Corporation's trade name : Dođuş Gayrimenkul Yatırım Ortaklığı A.Ş.
Registered Office : Maslak Mah. Ahi Evran Cad. No:4/23
Dođuş Power Center Maslak Şişli/Istanbul
Authorized Capital : TL 500.000.000
Paid-in Capital : TL 93.780.000
Scope of Activities : As specified in its Articles of Association
Auditors- Names and Terms of Office : Adem Durak (16.03.2011 - 16.03.2012)
Abdullah Murat Aytođu (03.01.2011- 16.03.2012)

Six-month audits applied upon the corporation's legal books and documents have revealed that all transactions and procedures are in compliance with the Turkish Commercial Code, provisions of the relevant Regulation, Corporation's Articles of Association, and resolutions of the Shareholders' Assembly and Board of Directors.

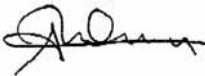
The treasury department of the corporation has been audited for four times in accordance with sub-clause 3 of paragraph 1 under Article 353 of the Turkish Commercial Code, inventory was taken whereby cash balance was found consistent with the records.

The assets the corporation have been audited on monthly basis in accordance with sub-clause 4 of paragraph 1 under Article 353 of the Turkish Commercial Code, and found consistent with the records.

Since the date of our appointment, we have not received any irregularity or complaint.

The accounts and transactions of Dođuş-GE Gayrimenkul Yatırım Ortaklığı A.Ş. for the period 01.01.2011-31.12.2011 have been reviewed in accordance with the Turkish Commercial Code, Articles of Association of the Corporation, other relevant regulations and generally accepted accounting principles and standards, and the corporation's balance sheet and statement of income have been found to be accurately and truly reflecting the operating results for said period.

Adem Durak
Auditor



Abdullah Murat Aytođu
Auditor

