



ALARKO GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
1 January 2011 – 31 March 2011

Interim Period Report

A- TERM OF THE REPORT

The report consists of the period 01.01.2011 – 31.03.2011.

B- BOARDS OF DIRECTORS AND AUDITORS

The members of the Board of Directors and Auditors, acquitted on the General Assembly Meeting held on 28 March 2011, are listed above.

<u>Board of Directors</u>	<u>Duty</u>	<u>Commencement Date of Duty</u>	<u>Expiry Date of Duty</u>
Mustafa Filiz	Chairman	28.03.2011	28.03.2012
Ahmet Önder Kazazoğlu	Vice Chairman	28.03.2011	28.03.2012
Mehmet Alper Kaptanoğlu	Director	28.03.2011	28.03.2012
Hilmi Önder Şahin	Director	28.03.2011	28.03.2012
Mehmet Ahkemoğlu	Director	28.03.2011	28.03.2012
Sarper Volkan Özten	Director	28.03.2011	28.03.2012
İzzet Cemal Kışmir	Director	28.03.2011	28.03.2012

Board of Auditors

Ümit Nuri Yıldız	Statutory Auditors	28.03.2011	28.03.2012
Aykut Baycan	Statutory Auditors	28.03.2011	28.03.2012
Erol Uçmazbaş	Statutory Auditors	28.03.2011	28.03.2012

Powers and Responsibilities of Board Members and Statutory Auditors

The Chairman and Directors are having the power and responsibility in accordance with the Turkish Commercial Legislations and Company's Articles of Association. Powers and responsibilities of Board members are set forth in the company's articles of association on 14th article. Powers and responsibilities of Statutory Auditors are set forth in the company's articles of association 16th and 17th article.

C- POLICY OF PROFIT DISTRIBUTION

No concession is granted in connection with participation in company's profits. Profit distribution is carried out within the periods set forth in applicable laws.

The amount of profit available for distribution is determined taking into account the new investments to be made and liquidity status.

The amount of profit available for distribution will be determined taking into account the new investments to be made and liquidity status if the Capital Markets Board terminates profit distribution obligation in 2011 and the following years.

D- FINANCING AND RISK MANAGEMENT

A risk management and internal Audit mechanism is set by the Board of Directors. Managerial risks are reviewed periodically by the Auditing Committee constituted by the Board members. The Committee has decided to establish, audit and update an internal control mechanism and this duty is assigned to an Auditing Group. The Auditing Group inspects the internal control mechanism regularly through the approved annual audit plans and communicates its opinions and findings to top management.

Furthermore, the established Auditing Committee reviews related matters and advises the Board of Directors accordingly. The Committee and the Board determine the measures to be taken and instruct the company's managers through the General Manager.

E- EVENTS IN THE PERIOD

At the Ordinary General Assembly meeting for the year 2010 of Alarko Gayrimenkul Yatırım Ortaklığı Anonim Şirketi held on 28.3.2011, to distribute TL 5,693,922.- the amount representing the distributable profit remaining after setting aside TL 295,924.- as first order legal reserves pursuant to the Capital Market Code, the Articles of Association and other related regulations out of TL 5,989,846.- representing the net profit for the year 2010 in the financial statements as follows:

- To deduct unrealized value increases in the amount of TL 316,044 as per Capital Market Legislation, and to distribute in cash TL 1,344,470 corresponding to 25% of net distributable profit amounting to TL 5,377,878 remaining after deducting the aforesaid amount, to our shareholders as dividend, and to start profit distribution as of 31st May 2011
- Setting aside TL 81,193 out of the profit to be distributed as second order legal reserve,
- The balance of TL 4,268,259.- to be transferred to the extraordinary reserve.

is voted unanimously.

It was resolved with 606,848,300 approve shares besides 2,274,100 noncommittal shares that İzzet Cemal Kışmır (T.C. ID No: 50623227636), Sarper Volkan Özten (T.C. ID No: 35588207558), Mustafa Filiz (T.C. ID No: 47986141280) representing Alarko Holding A.Ş., Hilmi Önder Şahin (T.C. ID No: 14554639838) representing Alarko Carrier Sanayi ve Ticaret A.Ş., Ahmet Önder Kazazoğlu (T.C. ID No: 52828764046), Mehmet Ahkemoğlu (T.C. ID No: 31787198420), and Mehmet Alper Kaptanoğlu (T.C. ID No: 40042528476), representing Alsim Alarko Sanayi Tesisleri ve Ticaret A.Ş. be elected as members of Board of Directors to serve for 1 year and that no remuneration be paid to members of Board of Directors.

It was resolved with 606,848,300 approve shares besides 2,274,100 noncommittal shares that Ümit Nuri Yıldız, Aykut Baycan and Erol Uçmazbaş be elected as auditors to serve for 1 year and that they be paid no remuneration.

It was resolved with 606,848,300 approve shares besides 2,274,100 noncommittal shares that an auditing agreement with the independent auditing company Denet Bağımsız Denetim Yeminli Mali Müşavirlik A.Ş. (Member, BDO International Network) elected by the Board of Directors according to Capital Market Board regulations be signed and the draft agreement be approved without any change..

F- REPORT ON COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Through SPK's 10.12.2004 dated and 48/1588 no Meeting Decision; The companies traded at İMKB, are due to publish "Report On Compliance With Corporate Governance Principles" on their web sites and Annual Reports.

Regarding to developments in capital market, applying Report On Compliance With Corporate Governance Principles is an important subject through the company policies. The company is obeying to the Report On Compliance With Corporate Governance Principles published by Capital Market Board.

About the cases concerning the Board of Directory and shareholders, the company targets to execute appropriate operations to Corporate Governance Principles and to implement them with shareholders at the decisions and processes that bear on shareholders and Board of Directors. Through this view, equity of all the shareholders, responsibility to inform and depending on Corporate Governance Principles to apply and implement these principles are among the company's main objectives. The operations, which are proceeding by the company, are considered and processed according to responsibility of these principles.

Through this perspective; till year 2004 "Report On Compliance With Corporate Governance Principles" is in the Company's web site www.alarkoyatirim.com.tr and in the Annual Report.

The names of insiders are as follows by 31.03.2011 date:

Ayhan Yavrucu
 Mustafa Filiz
 Ümit Nuri Yıldız
 Mehmet Ahkemoğlu
 Ahmet Önder Kazazoğlu
 Mehmet Alper Kaptanoğlu
 Hilmi Önder Şahin
 Harun Hanne Moreno
 Sarper Volkan Özten
 İzzet Celal Kışmir
 Aykut Baycan
 Erol Uçmazbaş
 Ömer Çelik
 Ahmet Yüksel Varol
 Aysel Yürür
 Fatma Acar

G- AMENDMENTS ON THE COMPANY'S ARTICLES OF ASSOCIATION AND REASONS

There is no ameendment on he Company's articles of association.

H- GENERAL INFORMATION REGARDING OUR ACTIVITIES

Compared to the economy in general, the construction sector was more seriously affected by the global economic crises and shrank by 8,1 % and 16,1 % in 2008 and 2009 respectively. The real estate stocks soared due to the decrease in housing demand. The existing stocks could not be

liquidated despite the recovery observed in the sector as of the first quarter of 2010. Moreover, the increase in the dwelling stock in particular continued with new real estate projects started in 2010. The surplus in supply continued in 2010 despite the increase in housing loans and the recovery in demand was not enough to liquidate the stocks. These conditions forced construction companies to be cautious about starting new projects.

Our company has completed the construction of the Lake Mansions, the most prestigious phase of the Alkent Istanbul 2000 project, and residence in this project has begun. This project whose site management was formed in 2010 has become a prestigious living center with its social premises, private security services and landscaping. Sales of the few dwellings of the Lake Mansions project continued in 2010. We are aiming to sell all of our existing stock in this project in 2011. We are maintaining our search for appropriate land for new projects.

The stable rent income we obtain from the quality real estate in our portfolio was maintained and increased in 2010. The prestigious real estate in our portfolio are; Fethiye Hillside Beach Club Holiday Village, the shops in Alkent Etiler Çarşısı, the Alarko Business Center in Necatibey Caddesi, Karaköy, Alarko-Dim Business Center in Tepebaşı, and the office floors at the Alarko Business Center in Çankaya, Ankara. We are planning to increase our portfolio of quality real estate for rent income.

Total assets of the company reached to 265,049,905 TL at 31 March 2011 from 263,323,816 TL, at 31 December 2010 with % 01 decrease. Net profit at 31 March 2011 is 2,510,936 TL.

I- BASIC RATIOS

Through the outcomes of the company at the first quarter of 2011, current ratio is 21.09 and liquidity ratio is 16.52.

J- DATA ABOUT HUMAN RESOURCES

The average employee quantity on the 01.01.2011-31.03.2011 term is 8.

According to the 20th Part named as “Employee Benefits” of the CMB’s Communiqué Serial Number XI-29, the Company has used the actuarial assumption in calculating the reserve for employment termination benefits. The liability is 119,164 TL with full provision.

A safe working environment is provided to the personnel and it is improved continuously.

All employees are treated fairly and equally in terms of training and promotion opportunities, training plans and policies aiming at improving the knowledge, skills and experience of the employees are developed. The employees receive training regularly during the year.

K- DATA ABOUT THE DONATIONS IN THE PERIOD

No donation was made to foundations or associations in the report period.