

**GEDİK YATIRIM MENKUL
DEĞERLER A.Ş. AND ITS
SUBSIDIARIES CONSOLIDATED
FINANCIAL STATEMENTS
TOGETHER WITH INDEPENDENT
AUDITORS' REPORT
AS OF 31 DECEMBER 2011**



Grant Thornton

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**INDEPENDENT AUDITOR'S REPORT OF
GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 31 DECEMBER 2011**

To the Board of Directors of
Gedik Yatırım Menkul Değerler A.Ş.

Eren Bağımsız Denetim ve
Yeminli Mali Müşavirlik A.Ş.
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Introduction

1. We have audited the accompanying consolidated financial statements of Gedik Yatırım Menkul Değerler A.Ş. and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as at 31.12.2011, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes in accordance with the financial reporting standards of the Turkish Capital Markets Board.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with financial reporting standards issued by the Turkish Capital Markets Board. In Turkey 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

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Auditing Standards issued by the Turkish Capital Markets 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.

Our audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and/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 in 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.

Opinion

4. In our opinion, the accompanying consolidated financial statements present fairly, the consolidated financial position of Gedik Yatırım Menkul Değerler A.Ş. and its subsidiary (the Group) as of 31.12.2011, and the consolidated results of its operations and cash flows for the year then ended in accordance with financial reporting standards issued by the Turkish Capital Markets Board (Note 2).

Other Matter

5. The consolidated financial statements of Gedik Yatırım Menkul Değerler A.Ş. and its subsidiaries prepared in accordance with financial reporting standards issued by the Turkish Capital Markets Board as at 31.12.2010 were audited by another independent audit firm whose reports dated 28.02.2011 expressed an unqualified opinion.

Eren Bağımsız Denetim ve Yeminli Mali Müşavirlik A.Ş.
Member Firm of GRANT THORNTON International



Nazım Hikmet
Partner

İstanbul, 12.04.2012

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

CONTENTS

BALANCE SHEETS

INCOME STATEMENTS

CHANGES IN SHAREHOLDERS' EQUITY STATEMENTS

CASH FLOW STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (FOOTNOTES)

NOTE 1 ORGANIZATION AND NATURE OF OPERATIONS.....	
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS.....	
NOTE 3 BUSINESS COMBINATIONS	
NOTE 4 JOINT VENTURES.....	
NOTE 5 SEGMENT REPORTING.....	
NOTE 6 CASH AND CASH EQUIVALENTS.....	
NOTE 7 FINANCIAL INVESTMENTS	
NOTE 8 FINANCIAL LIABILITIES.....	
NOTE 9 OTHER FINANCIAL LIABILITIES.....	
NOTE 10 TRADE RECEIVABLES AND PAYABLES.....	
NOTE 11 OTHER RECEIVABLES AND PAYABLES.....	
NOTE 12 RECEIVABLES AND PAYABLES FROM FINANCE SECTOR ACTIVITIES.....	
NOTE 13 INVENTORIES.....	
NOTE 14 BIOLOGICAL ASSETS	
NOTE 15 RECEIVABLES FROM CONSTRUCTION CONTRACTS IN PROGRESS.....	
NOTE 16 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD.....	
NOTE 17 INVESTMENT PROPERTIES.....	
NOTE 18 PROPERTY PLANT AND EQUIPMENT.....	
NOTE 19 INTANGIBLE ASSETS	
NOTE 20 GOODWILL	
NOTE 21 GOVERNMENT GRANTS	
NOTE 22 PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES	
NOTE 23 COMMITMENTS	
NOTE 24 RESERVE FOR EMPLOYMENT TERMINATION BENEFITS.....	
NOTE 25 RETIREMENT BENEFITS	
NOTE 26 OTHER ASSETS AND LIABILITIES.....	
NOTE 27 EQUITY.....	
NOTE 28 SALES AND COST OF SALES	
NOTE 29 RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SELLING AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES.....	
NOTE 30 OPERATING EXPENSE BREAKDOWN	
NOTE 31 OTHER INCOME/EXPENSES	
NOTE 32 FINANCIAL INCOMES	
NOTE 33 FINANCIAL EXPENSES.....	
NOTE 34 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS.....	
NOTE 35 TAX ASSETS AND LIABILITIES (INCLUDE DEFERRED TAX ASSETS AND LIABILITIES)	
NOTE 36 EARNINGS PER SHARE	
NOTE 37 DUE FROM/ DUE TO RELATED PARTIES.....	
NOTE 38 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS	
NOTE 39 FINANCIAL INSTRUMENTS: DISCLOSURES (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING DISCLOSURES).....	
NOTE 40 SUBSEQUENT EVENTS.....	
NOTE 41 MATTERS THAT MAY HAVE A MATERIAL EFFECT ON, OR PREVENT THE CLEAR UNDERSTANDING OF THE CONSOLIDATED FINANCIAL STATEMENTS	

GEDİK YATIRIM MENKUL DEĞERLER A.Ş.
CONSOLIDATED BALANCE SHEETS
AS OF 31.12.2011 AND 31.12.2010
(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

ASSETS	Notes	Audited 31.12.2011	Audited 31.12.2010
CURRENT ASSETS		156,273,444	159,576,406
Cash and Cash Equivalents	6	89,792,580	85,346,856
Financial Investments	7	9,034,456	10,934,266
Trade Receivables			
- Due from Related Parties	10-37	28,986	23,570
- Other Receivables	10	54,415,895	60,941,022
Receivables From Finance Sector Activities	12	--	--
Other Receivables			
- Due from Related Parties	10-37	--	--
- Other Receivables	11	109,509	120,387
Inventories	13	--	--
Biological Assets	14	--	--
Other Current Assets	26	2,892,018	2,210,305
Intangible Assets Held for Sale	34	--	--
NON-CURRENT ASSETS		4,036,347	3,507,054
Trade Receivables	10	29,961	9,461
Receivables From Finance Sector Activities	12	--	--
Other Receivables	11	90,975	199,318
Financial Investments	7	462,073	249,216
Investments Accounted for Using the Equity Method	16	--	--
Biological Assets	14	--	--
Investment Properties	17	--	--
Property Plant and Equipment	18	2,591,913	2,359,994
Intangible Assets	19	398,999	213,904
Goodwill	20	127,297	127,297
Deferred Tax Assets	35	334,218	345,806
Other Non-Current Assets	26	911	2,058
TOTAL ASSETS		<u>160,309,791</u>	<u>163,083,460</u>

The accompanying notes are an integral part of these consolidated financial statements.

(*): These consolidated financial statements were approved by the Board of Directors on 12.04.2012

GEDİK YATIRIM MENKUL DEĞERLER A.Ş.
CONSOLIDATED BALANCE SHEETS
AS OF 31.12.2011 AND 31.12.2010
(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

LIABILITIES	Note	Audited 31.12.2011	Audited 31.12.2010
CURRENT LIABILITIES		86,932,467	102,444,141
Financial Liabilities	8	6,900,993	17
Other Financial Liabilities	9	--	--
Trade Payables			
- Due to Related Parties	10-37	71,582	55,423
- Other Payables	10	74,985,516	97,883,105
Other Liabilities			
- Other Liabilities	11	1,182,257	1,216,600
Receivables From Finance Sector Activities	12	--	--
Government Grants	21	--	--
Current Income Tax Liabilities	35	3,182,694	2,618,311
Reserve for Employment Termination Benefit	24	164,262	113,918
Debt Provisions	22	445,163	556,767
Other Current Liabilities	26	--	--
Liabilities of Intangible Assets Held for Sale	34	--	--
NON-CURRENT LIABILITIES		1,209,705	664,598
Financial Liabilities	8	--	--
Other Financial Liabilities	9	--	--
Trade Payables	10	--	--
Other Payables	11	7,297	7,297
Payables From Finance Sector Operations	12	--	--
Government Grants	21	--	--
Debt Provisions	22	--	--
Reserve For Employment Termination Benefits	24	1,033,490	350,582
Deferred Tax Liabilities	35	168,918	306,719
Other Non-Current liabilities	26	--	--
EQUITY		72,167,619	59,974,721
Parent Company Shareholder's Equity		68,516,453	56,575,454
Paid-in Capital	27	46,800,000	36,000,000
Investment and Share Capital Eliminating Adjustment (-)		--	--
Adjustments to Share Capital		--	--
Share Premium		285	124
Fair Value Reserve		--	--
Foreign Currency Translation Differences		--	--
Restricted Reserves		4,377,356	3,535,192
Previous Year's Profits / (Losses)	27	4,772,573	4,334,563
Net Profit / (Loss) for the Year	36	12,566,239	12,705,575
Minatory Interest		3,651,166	3,399,267
TOTAL LIABILITIES		160,309,791	163,083,460

The accompanying notes are an integral part of these consolidated financial statements.
(*): These consolidated financial statements were approved by the Board of Directors on 12.04.2012

GEDİK YATIRIM MENKUL DEĞERLER A.Ş.
CONSOLIDATED INCOME STATEMENTS
FOR THE YEARS ENDED 01.01 - 31.12.2011 AND 01.01. - 31.12.2010
(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

	Audited	Audited
	01.01.-	01.01.-
	31.12.2011	31.12.2010
<u>CONTINUING OPERATIONS</u>		
Sales	494,703,827	692,598,570
Other operating income / (expense)	6,923,586	4,719,331
Cost of Sales (-)	(469,710,994)	(665,623,238)
Gross Profit / (loss) from Trade Activities	31,916,419	31,694,663
Interest, Wage, Premium, Commission and Other Incomes	--	--
Interest, Wage, Premium, Commission and Other Expenses (-)	--	--
Gross Profit / (Loss) from Financing Activities	--	--
GROSS PROFIT / (LOSS)	31,916,419	31,694,663
Marketing, Selling and Distribution Expenses (-)	(3,528,714)	(5,482,192)
General Administrative Expenses (-)	(16,577,046)	(14,184,960)
Research Expenses (-)		
Other Operating Income	969,879	378,569
Other Operating Expense (-)	(96,648)	(141,724)
OPERATING PROFIT / (LOSS)	12,683,890	12,264,356
Share from Profit/Loss in Investments Evaluated with Equity Method	--	--
Financial Income	8,022,423	3,806,330
Financial Expense (-)	(4,915,585)	(772,780)
PROFIT/ (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	15,790,728	15,297,906
Income Tax / (Expense) From Continuing Operations	(3,056,481)	(2,288,498)
- Income tax / (expense)	(3,182,694)	(2,618,311)
- Deferred tax (charge) / income	126,213	329,813
PROFIT/ (LOSS) FROM CONTINUING OPERATIONS	12,734,247	13,009,408
<u>DISCONTINUED OPERATIONS</u>		
Profit/ loss from discontinued operations	--	--
PROFIT / LOSS FOR THE PERIOD	12,734,247	13,009,408
Other Comprehensive Income:	--	--
Changes in Revaluation Surplus of Financial Assets	--	--
Changes in Revaluation Surplus of Intangible Assets	--	--
Changes in Hedge Fund for Financial Risk	--	--
Changes in Foreign Currency Conversion Adjustments	--	--
Actuarial Gains and Losses from Retirement Plans	--	--
Share from Comprehensive Receivables in Partnership Evaluate Equity Method Ev:	--	--
Tax Incomes/Expenses Related to Other Comprehensive Income	--	--
OTHER COMPREHENSIVE INCOME (AFTER TAX)	--	--
TOTAL COMPREHENSIVE INCOME	12,734,247	13,009,408
Profit /Loss Attributable to		
Minority Interest	168,008	303,833
Equity Holders of the Parent Company	12,566,239	12,705,575
Distribution for Total Comprehensive Income		
Minority Interest	--	--
Equity Holders of the Parent Company	--	--
Basic Earnings Per Share	0.2685	0.3529
Diluted Earnings Per Share	0.2685	0.3529
Earnings Per Share From Continuing Operations	0.2685	0.3529
Diluted Earnings Per Share From Continuing Operations	0.2685	0.3529

The accompanying notes are an integral part of these consolidated financial statements.
(*): These consolidated financial statements were approved by the Board of Directors on 12.04.2012

GEDİK YATIRIM MENKUL DEĞERLER A.Ş.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 01.01 - 31.12.2011 AND 01.01. - 31.12.2010
(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

	Share Capital (Note 27.1)	Share Premium (Note 27.2)	Restricted Reserves Set Aside From Profits (Note 27.3)	Previous Years Income/(Loss) (Note 27.4)	Minority Interest (Note 27.5)	Profit/(Loss) For The Year (Note 36)	Total Shareholders Equity
Balance at 01.01.2010	30,000,000	120	2,590,976	4,073,009	3,600,920	11,851,889	52,116,914
Share capital increase	6,000,000	--	--	(6,000,000)	--	--	--
Restricted reserves set aside from profit	--	--	944,216	(944,216)	--	--	--
Transfer to general reserves	--	--	--	11,851,889	--	(11,851,889)	--
Dividends paid	--	--	--	(4,646,119)	--	--	(4,646,119)
Minority interest	--	4	--	--	(505,486)	--	(505,482)
Net profit for the year	--	--	--	--	303,833	12,705,575	13,009,408
Balance at 31.12.2010	36,000,000	124	3,535,192	4,334,563	3,399,267	12,705,575	59,974,721
Balance at 01.01.2011	36,000,000	124	3,535,192	4,334,563	3,399,267	12,705,575	59,974,721
Share capital increase	10,800,000	--	--	(10,800,000)	--	--	--
Share premium	--	161	--	--	109	--	270
Dividends paid	--	--	--	(42)	--	--	(42)
Minority interest	--	--	200,551	(825,910)	83,782	--	(541,577)
Transfer	--	--	641,613	12,063,962	--	(12,705,575)	--
Net profit for the year	--	--	--	--	168,008	12,566,239	12,734,247
Balance at 31.12.2011	46,800,000	285	4,377,356	4,772,573	3,651,166	12,566,239	72,167,619

The accompanying notes are an integral part of these consolidated financial statements.

(*): These consolidated financial statements were approved by the Board of Directors on 12.04.2012

GEDİK YATIRIM MENKUL DEĞERLER A.Ş.
CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED 31.12.2011 AND 31.12.2010
(Amounts are expressed in Turkish Lira (TL) unless otherwise stated)

	Note	Audited 01.01- 31.12.2011	Audited 01.01- 31.12.2010
<u>A. Cash Flows From Operating Activities</u>			
Net Profit for the Year Before Tax		12,734,247	13,009,408
Adjustments that confirm the net cash amount, generated from or used in operating activities, with net profit.			
Depreciation and amortization expenses	18-19	459,269	473,247
Employee termination benefits provision	24	682,908	133,861
Provision for doubtful receivables		--	3,013
Provisions no longer required		(192,411)	(123,085)
Value increase/(decrease) for financial assets	28	(119,301)	(97,498)
Foreign exchange gain / (loss)	28	(69,733)	(1,715)
Tax accrual (+)	28	3,056,481	2,288,498
(Profit) / loss from consolidated participations		(168,008)	(303,833)
Unused vacation provision expense		50,344	8,876
Other adjustments		--	(38,759)
Operating Profit Before Working Capital Change		16,433,796	15,352,013
<u>Changes in Working Capital:</u>			
Change in trade receivables and other receivables (-)	10	6,702,500	12,442,640
Change in other current and non-current assets	26	(572,223)	(19,328)
Change in trade receivables	10	(22,931,932)	20,025,395
Change in debts to affiliates	10	16,159	--
Change in other liabilities	26	--	324,475
Change in provisions for debt	22	(111,604)	(185,399)
Taxes Paid	35	(2,618,311)	(2,403,902)
Total		(19,515,411)	30,183,881
Net cash provided by operating activities		(3,081,615)	45,535,894
<u>B. Cash Flows From Investing Activities:</u>			
Changes in financial assets	7	1,875,987	2,439,159
Share premium	27	270	--
Dividends paid	27	(42)	(4,646,119)
Purchases of property, plant and equipment and intangible assets, net	18	(876,283)	(380,782)
		999,932	(2,587,742)
<u>C. Cash Flows From Financing Activities:</u>			
Net Cash Provided By / (Used In) Financial Liabilities	8	6,900,976	(1,327,916)
Changes in Shares Except Parent Company	11-37	(373,569)	(102,180)
Net Cash Provided By Financing Activities		6,527,407	(1,430,096)
Net Change in Cash and Cash Equivalents		4,445,724	41,518,056
Cash and Cash Equivalents at the Beginning of Year		85,346,856	43,828,800
Cash and Cash Equivalents at the End of Year		89,792,580	85,346,856

The accompanying notes are an integral part of these consolidated financial statements.

(*): These consolidated financial statements were approved by the Board of Directors on 12.04.2012

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

1. ORGANIZATION AND NATURE OF OPERATIONS

Gedik Yatırım Menkul Değerler A.Ş. (“The Company”) and its subsidiaries (“Group”) are operating in capital market brokerage, portfolio management and other capital market activities.

The Company has certificates of authorization from the Turkish Capital Markets Board (“CMB”), as shown below;

- Commission Agent Authorization Certificate (Acquisition Date/No: September 22, 1998 – ARK/ASA-276).
- Purchase and Sell Authorization Certificate with Repo and Reverse Repo Promise to Securities (Acquisition Date/No: September 22, 1998 – ARK/RP-184).
- Purchasing and Selling to Derivative Financial Instruments Authorization Certificate (Acquisition Date/No: January 14, 2005 – ARK/TAASA-39).
- Portfolio Management Authorization Certificate (Acquisition Date/No: September 22, 1998 – ARK/PY-165)
- Investment Consultancy Authorization Certificate (Acquisition Date/No: September 22, 1998 – ARK/YD-142)
- Authorization Certificate for Public Listing Brokerage (Acquisition Date/No: September 22, 1998 – ARK/HAA-199)
- Authorization Certificate for Margin Trading, Short Selling and Borrowing – Lending to Securities (Acquisition Date/No: September 22, 1998 – ARK/KRD-145)

The Company’s address is at Cumhuriyet Mah. E-5 Yanyol No:29 34876 Kartal/ İstanbul.

Issued share and paid-up capital of the Company is TL 46.800.000 and main partner are Erhan Topaç and Gedik Group (Note 27).

The Company’s authorized equity ceiling is TL 50.000.000.

As of 31.12.2011 the Group has 260 employees in total and 228 employees work in the Parent company and 32 employees work in the subsidiaries (31.12.2010: 255 employees).

Approval of Financial Statements

Accompanying consolidated financial statements, have been approved for issue by the Board of Directors on 12.04.2012. The General Assembly has the authority to revise the financial statements which were prepared in accordance with the statutory requirements.

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

1. ORGANIZATION AND NATURE OF OPERATIONS (continued)

Addresses

Headquarter	:Cumhuriyet Mah. E-5 Yanyol No:29 34876 Kartal/İstanbul
Branch (Altıyol)	:Osmanağa Mah. Kırtasiyeciler Sok. No:14 Kadıköy/İstanbul
Branch (Kızılay)	:Sümer Birinci Sk. No:13/3 Ankara
Branch (Antalya)	:H.Ahmet Bedestenli No: 5/29 Antalya
Branch (Bakırköy)	:Ebuziyaa Cad. Bakırköy/İstanbul
Branch (Bursa)	:Şehreküstü Mah. No:17 Bursa
Branch (Caddebostan)	:Bağdat Cad. Murat Apt. No:340 K: 2 D.10 Kadıköy/İstanbul
Branch (Denizli)	:Saraylar Mah. No:56 Denizli
Branch (Düzce)	:Kültür Mah. Kültür Sok. Telekom Yanı No:3 / Düzce
Branch (Elazığ)	:Yeni Mah. Gazi Cad. No:28/3 Elazığ
Branch (Eskişehir)	:Köprübaşı No:1/4 Eskişehir
Branch (Gaziantep)	:Atatürk Bulvarı Ferah Apt. D.4 Şahinbey / Gaziantep
Branch (Gebze)	:H.Halil Mah No:107 Gebze
Branch (İzmir)	:Cumhuriyet Bulvarı Bulvarı No:131 Cevher Apt. Kat:2 D: 3,4 Alsancak / İzmir
Branch (Kapalıçarşı)	:Kürkçüler Sk. No:25 Eminönü
Branch (Konya)	:Nalçacı Cad. Acentacılar Sitesi No:81 Selçuklu / Konya
Branch (Maltepe)	:Gedik İş Hanı No:162/2 Maltape/İstanbul
Branch (Manisa)	:Anafartalar Mah. Mustafa Kemal Paşa Cad. No: 34-1 Manisa
Branch (Muğla)	:Şeyh Mah. Bankalar Cad. Naipler Sok. Zihni Derin Alışveriş Merkezi Kat:1 No:29 Muğla
Branch (Şaşkınbakkal)	:Bağdat Cad No:277/5 Suadiye/İstanbul
Branch (Tophane)	:N.Bey Cad No:24 Tophane/İstanbul
Branch (Uşak)	:İsmetpaşa Cad. No:63 Kat:2 Mavi Plaza / Uşak
Branch (Beşiktaş)	:Aytar Cad. Metro İşhanı No:10 D:7 K:3 Levent - Beşiktaş
Branch (Perpa)	:Perpa İş Merkezi Kat: 8 No: 1000 Okmeydanı – Şişli / İstanbul
Branch (Çankaya)	:Simon Bolivar Cad. No:8/6 Çankaya / Ankara
Branch (Ulus)	:Ulus Şehir Çarşısı No:170 Ulus / Ankara
Branch (Gaziosmanpaşa)	:Merkez Mah. Cami Karşısı No:88 K:3 Gaziosmanpaşa / İstanbul

The details of the Group's subsidiaries included in full consolidation are as follows (Note 2):

<u>Company Name</u>	<u>Nature of Activity</u>
Marbaş Menkul Değerler A.Ş.	Brokerage
Gedik Portföy Yönetimi A.Ş.	Portfolio Management
Gedik Yatırım Ortaklığı A.Ş.	Investment Trust
Marbaş B Tipi Menkul Kıymetler Yatırım Ortaklığı A.Ş.	Securities Investment Trust

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

Subsidiary 1 : Marbaş Menkul Değerler A.Ş.

Marbaş Menkul Değerler A.Ş. (“the Company”) was registered at Istanbul Trade Registry on July 18, 1990 and its establishment was published in the Trade Registry Gazette No: 2576 on July 30, 1990. The purpose of the Company is to perform in capital market activities in accordance with its Articles of Association and Turkish Capital Markets Law.

The Company’s address is at Eski Büyükdere Cad. Tahirağa Çeşme Sok. Ayazağa Ticaret Merkezi No:11 - 10 Şişli / Istanbul.

As at 31.12.2011, Parent company’s effective share percentage in Marbaş Menkul Değerler A.Ş. is shown below:

Company Name	Nature of Activity	Issued Share Capital	Direct Participation Rate (%)	Total Participation Rate (%)
Marbaş Menkul Değerler A.Ş.	Brokerage	5.000.000	99,996	99,996

Subsidiary 2 : Gedik Portföy Yönetimi A.Ş.

Gedik Portföy Yönetimi A.Ş. (“the Company”) was registered at the Istanbul Trade Registry on 28.02.2008 and its establishment was published in the Trade Registry Gazette No: 7013 on 05.03.2008. The Company is engaged to perform in capital market activities in accordance with its Articles of Association and Turkish Capital Markets Law.

The Company’s address is at Cumhuriyet Mahallesi E-5 Yanyol No:29 Kat:3 Yakacık, Kartal/Istanbul.

As at 31.12.2011, of the Parent company’s effective share percentage in Gedik Portföy Yatırım A.Ş. is shown below:

Company Name	Nature of Activity	Issued Share Capital	Direct Participation Rate (%)	Indirect Participation Rate (%)	Total Participation Rate (%)
Gedik Portföy Yönetimi A.Ş.	Portfolio Management	1.000.000	88,997	11,00	99,997

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

Subsidiary 3 : Gedik Yatırım Ortaklığı A.Ş.

Gedik Yatırım Ortaklığı A.Ş. (“the Company”) is an A Type Investment Trust company and it was established in Istanbul on March 12, 1998.

The business nature of the Company is to operate in capital market instruments and gold and other precious metal portfolios in national and international markets or over the counter markets.

The Company’s address is at Cumhuriyet Mahallesi Yakacık Yan Yol No: 63 Kat: 3 Kartal /Istanbul.

As at 31.12.2011, Parent company’s effective share percentage in Gedik Yatırım Ortaklığı A.Ş. is shown below:

Company Name	Nature of Activity	Issued Share Capital	Direct Participation Rate (%)	Total Participation Rate (%)
Gedik Yatırım Ortaklığı A.Ş.	Investment Trust	7.623.000	80,9	80,9

Subsidiary 4 : Marbaş B Tipi Menkul Kıymetler Yatırım Ortaklığı A.Ş.

Marbaş B Tipi Menkul Kıymetler Yatırım Ortaklığı A.Ş. (“the Company”) was registered at Istanbul Trade Registry on 25.09.2006 and its establishment was published in the Trade Registry Gazette No:6653 on 29.09.2006.

The Company operates its activities in accordance with communiqués related to investment trusts promulgated by Turkish Capital Markets Board. Purpose of the Company is to manage capital market instruments and gold and other precious metal portfolios in national and international markets and over the counter markets in accordance with the Turkish Securities Exchange Act number 2499.

The Company’s address is at Cumhuriyet Mah. E-5 Yanyol No:29 Kat:3 Yakacık-Kartal/Istanbul.

As at 31.12.2011 Parent company’s effective share percentage in Marbaş B Tipi Menkul Kıymetler Yatırım Ortaklığı A.Ş. is shown below:

Company Name	Nature of Activity	Issued Share Capital	Direct Participation Rate (%)	Total Participation Rate (%)
Marbaş B Tipi Menkul Kıymetler Yatırım Ortaklığı A.Ş.	Investment Trust	5.148.000	71,1	71,1

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

A. Basis of presentations

Basis of Accounting Standards Applied

The Group maintains its books of accounts and prepares its statutory financial statements in accordance with accounting principles in the Turkish Commercial Code (“TCC”) and tax legislation.

The Communiqué No: XI//29 issued by the Turkish Capital Markets Board in respect of Financial Reporting in the Capital Markets which is effective from the first interim financial statements subsequent to 01.01.2008 states that the financial statements should be prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

However, International Financial Reporting Standards (IFRS) will continue to be applied until the differences between the International Financial Reporting Standards (IFRS) and those adopted by the European Union will be declared by the Turkish Accounting Standards Board (TASB). Within this framework, the Turkish Accounting /Financial Reporting Standards (TFRS) which are published by the Turkish Accounting Standards Board and which are in compliance with the adopted standards will be applied. The consolidated financial statements and the related notes to them are presented in accordance with the formats required at the announcements of Turkish Capital Markets Board those numbered 2008/16, 2008/18, 2009/2.

Comparative Figures

In order to determine the financial status and performance trends, the financial statements of the Group have been prepared in comparison with the financial statements of previous periods. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current year consolidated financial statements.

Assumption of Going Concern

The consolidated financial statements of the Group are prepared on a going concern basis, which presumes the realization of assets and settlement of liabilities of the Company and its consolidated subsidiaries and associates in the normal course of operations and in the foreseeable future.

Functional and Presentation Currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in TL, which is the functional and presentation currency of the Group.

Inflation Accounting

Capital Market Board made an announcement on 17.03.2005 to the effect that inflation accounting should be discontinued for companies that operate in Turkey and prepare their financial statements in accordance with Accounting and Reporting Standards issued by the Capital Markets Board in effect from 01.01.2005. Based on this resolution the financial statements of the Group as from 01.01.2005 were not restated for the effects of inflation accounting as required by IAS 29” Financial Reporting in Hyperinflationary Economies”. The financial statements as of 31.12.2004 were expressed at the purchasing power of TL as 31.12.2004.

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

Offsetting

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

Adoption of New and Revised International Financial Reporting Standards

Standards, amendments and interpretations to existing standards effective in 2011 but not relevant to the Group.

- IAS 24 (Revised), “Statements of Related Parties”
- IAS 32 (Amendment), “Financial Tools: Presentation”
- IFRIC 14 (Amendment), “Advance Payment of Minimum Funding Requirement”
- IFRIC 19 (Interpretation), “Payment of Financial Debts with Financial Tools Based on Equity Capital”
- IFRS 3 (Improvement), “Business Mergers”
- IFRS 7 (Improvement), “Financial Tools: Explanations”
- IAS 1 (Improvement), “Presentation of Financial Statements”
- IAS 27 (Improvement), “Consolidated and Non-consolidated Financial Statements”
- IFRIC 13 (Improvement), “Customer Loyalty Programs” UMS 34, “Interim Financial Reporting”

Standards, amendments and interpretations to existing standards that are not yet effective as of 31 December 2011 and have not been early adopted by the Company:

- IFRS 7 (Amendment), “Financial Tools: Explanations” :
is effective for annual periods beginning on or after 01.07.2011
- IAS 12 (Amendment), “Income Taxes”
is effective for annual periods beginning on or after 01.01.2013
- IFRS 9, “Financial Tools”
is effective for annual periods beginning on or after 01.01.2013
- IFRS 10, “Consolidated Financial Statements”
is effective for annual periods beginning on or after 01.01.2013
- IFRS 11, “Common Regulations”
is effective for annual periods beginning on or after 01.01.2013
- IFRS 12, “Explanations Concerning the Shares in Other Operations”
is effective for annual periods beginning on or after 01.01.2013
- IFRS 13, “Measurement of Securities”
is effective for annual periods beginning on or after 01.01.2013
- IAS 27, “Individual Financial Statements”
is effective for annual periods beginning on or after 01.01.2013
- IAS 28, “Participations and Joint Ventures”
is effective for annual periods beginning on or after 01.01.2013
- IAS 19, “Employee Benefit”:
is effective for annual periods beginning on or after 01.01.2013
- IAS 1, “Presentation of Financial Statements”:
is effective for annual periods beginning on or after 01.07.2012

The Group does not expect that these amendments will have any impact on the financial statements of the Group and not early adopted by the Group.

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

Basis of Consolidation

Subsidiaries

The Subsidiary is the Company in which the Company has the power to control the financial and operating policies for the benefit of the Company either through the power to exercise more than 50% of voting rights relating to shares in the companies as a result of shares owned directly and indirectly by itself; or although not having the power to exercise more than 50% of the voting rights, through the exercise of an actual dominant influence over the financial and operating policies.

The details of the Group's subsidiaries included in full consolidation are as follows:

	Head Office Location	Total Participation Rate (%)	Nature of Activity
Marbaş Menkul Değerler A.Ş.	Istanbul	99,996	Brokerage
Gedik Portföy Yönetimi A.Ş.	Istanbul	99,997	Portfolio Management
Gedik Yatırım Ortaklığı A.Ş.	Istanbul	80,9	Mutual Fund
Marbaş B Tipi Menkul Kıymetler Yatırım Ortaklığı A.Ş.	Istanbul	71,1	Mutual Fund

The basis of consolidation is set out below:

- a) The statements of financial position and the statements of income of the subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by the Parent Company and its subsidiary is eliminated against the related shareholders' equity.
- b) Intra-group balances and transactions of consolidated entities including sales goods and services, intra-group income, expenses and dividends are eliminated in full. The income and expenses of a subsidiary are included in the consolidated financial statements from the acquisition date as declared in IFRS 3. The income and expenses of a subsidiary are included in the consolidated financial statements until the date on which the parent ceases to control the subsidiary
- c) Profits and losses arising from intra-group transactions that are recognized in current and non-current assets are eliminated in full.
- d) Minority interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the income statement and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

B. Changes in Accounting Policies

Material changes in accounting policies are applied retrospectively and the prior period consolidated financial statements are restated. The Company has applied its accounting policies consistently with prior period.

C. Changes in Accounting Estimates and Corrections of Errors

If the application of changes in the accounting estimates affect the financial results of a specific period, the accounting estimate change is applied in that specific period, if they affect the financial results of current and following periods; the accounting policy estimate is applied prospectively in the period in which such change is made. The Group did not have any major changes in the accounting estimates during the current period.

Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period so that the reclassification will result in a more appropriate presentation of events or transactions.

Errors within the scope of IAS/IFRS, occurs during the recognition, measurement and representation of consolidated financial statements accounts. If the consolidated financial statements has deliberate errors, they are accepted as ineligible for international accounting standards. Errors which was made in current period and noticed before approved must be corrected in the current period. Errors which was noticed in later periods should be corrected following financial statements.

Because of the having A Type shares which give control power and management domination in subsidiaries of Gedik Yatırım Ortaklığı A.Ş. and Marbař B Tipi Menkul Kıymetler Yatırım Ortaklığı A.Ş. were consolidated in the consolidated financial statements due to Turkish Capital Markets Board written demand dated 08.06.2010 numbered B.02.1.SPK.=.13-778-5823.

Within this scope the Group's financial statements (including 2009 financial statements) was amended as consolidated Gedik Yatırım Ortaklığı A.Ş. and Marbař B Tipi Menkul Kıymetler Yatırım Ortaklığı A.Ş.

D. Summary of Significant Accounting Policies

Revenue

Income and Expense Recognition

The Group immediately recognizes gain on sale of marketable securities in its portfolio, when proceeds on such sale transactions are deemed to be collectable while dividend and similar type of revenue are recognized when proceeds on such sale transactions are deemed to be collectable at maturity.

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

Service Income

Revenue generated from service contract is recognized by reference to the stage of completion of the contractual obligation. In this respect, fees and commissions generated as a consequence of the completion of the service contract or service, mutual fund management fees, portfolio management commissions and agency commissions are recognized on an accrual basis.

Available for sale financial assets

Quoted equity investments and quoted certain debt securities held by the Group that are traded in an active market are classified as being available-for-sale financial assets and are stated at fair value. The Group also have investments in unquoted equity investments that are not traded in an active market but are also classified as available for sale financial assets and stated at cost since their value cannot be reliably measured. Gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated for in the fair value reserve with exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognized in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the fair value reserve is classified to profit or loss.

Reverse Repo Receivables

Marketable securities held as part of commitments to resale (“reverse repo”) are accounted for as funds loaned under marketable securities reverse repurchase agreements and accounted for under cash and cash equivalent in the balance sheet. The difference between purchase and resale prices is accounted for as interest and amortized during the period of the agreement.

Interest Income and Expense

Interest income and expense are recognized in the income statement in the period which they relate on an accrual basis. “Interest income from brokerage operations” is reported in “Sales Revenue” (Note 28) and “interest income from bank deposits” is classified in “Financial Incomes” (Note 32). Dividend income from share certificates investment is booked when shareholders have a right to take dividend.

Segment Reporting

The Group has three business segments determined by the management based on information available for the evaluation of performances and the allocation of resources. These segments are managed separately because they are affected by the economical conditions and geographical positions in terms of risks and returns.

Since the Group predominantly operates in Turkey and only in marketable securities sector, segment information in the accompanying financial statements are configured according to structure of the Group’s operating entities as Brokerage, investment in mutual funds and portfolio management (Note 5).

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

Cash and cash equivalent

Cash and cash equivalents comprise cash on hand demand deposits and other short –term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

If there are cash and cash equivalents with maturities of 12 months or more are classified in intangible assets (Note 6).

Financial Investments

In scope of IAS/IFRS' financial assets are classified in Group's assets if the Group has legal rights regarding to these assets.

Classification

Financial assets are reflected to the consolidated statement of financial position of the Group when the Group is a party concerning those assets. If a financial instrument results in cash inflow, increase in any asset or any other financial instrument for the Group then the instrument is classified as a financial asset.

Investments are recognized and derecognized on trade date where the purchase of sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned and are initially measured at fair value, net of transaction costs expect for those financial assets classified as fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following specified categories as 'at fair value through profit or loss', 'held to maturity investments', 'available for sale financial assets' and 'loans and receivables'.

Financial Assets at FVTPL (fair value through profit or loss)

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorized as financial assets at fair value through profit or loss unless they are designated as hedges. Assets in this category are classified as current assets.

Held-to-maturity financial assets

Investments in debt securities with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortized cost using the effective interest method less impairment, with revenue recognized on an effective yield basis. The Group has no held-to-maturity financial assets in its financial assets portfolio as of 31.12.2011.

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

Repurchase and reverse repurchase agreements

Marketable securities sold as part of repurchase agreement commitments (“repo”) are accounted for in the consolidated financial statements and liabilities to counterparties are presented as payables to customers. Marketable securities held as part of commitments to resale (“reverse repo”) are accounted for as funds loaned under marketable securities reverse repurchase agreements and accounted for under cash and cash equivalent in the balance sheet. The difference between purchase and resale prices is accounted for as interest and amortized during the period of the agreement.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments, originated or acquired, that are not quoted in an active market, not held for trading, and not designated on initial recognition as assets at fair value through profit or loss or as available-for-sale. Loans and receivables are measured at amortized cost using the effective interest method.

Financial assets are classified into the following specified categories as ‘at fair value through profit or loss’, ‘held to maturity investments’, ‘available for sale financial assets’ and ‘loans and receivables’.

First booked and after

Financial investments, except financial assets classified at fair value through profit or loss and financial assets initially recognized at fair value, are recognized at fair value net of directly attributable transaction costs. Investments are recognized on a trade date where the purchase or sale of an investment is under contract whose terms require delivery of the investment within the timeframe established by the market concerned.

Fair value in marketable securities is the best buying price of current stock market orders held in Istanbul Stock Exchange as of 31 December 2011, otherwise last transaction of exchange price is accepted as fair value. The fair value of the marketable securities that cannot be measured accurately or don’t have an active market, are shown with their best buying price.

Marketable securities in the trade book of Group are booked, based on their transaction date. Changes in these securities’ fair value after the book date is reflected in income statement.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognized on an effective interest basis for financial assets other than those financial assets designated at FVTPL (fair value through profit or loss).

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

Trade Receivables, Credit Receivables and Borrowings

Receivables which were reported in this group come from Brokerage service. Trade receivables, credit receivables and other receivables are recorded with their fair value when they are recorded first time. Trade Receivables, credit receivables and borrowings has shown with their internal rate of return with using effective interest method for reporting after the booked periods (Note 10).

“Deposits and guarantees given” are not reported under “trade receivables, credit receivables and borrowings” section, but under “other receivables and payables” section. The related parties segment of the receivables or payables are reported in “related party transactions” note (Note 37).

A credit risk provision for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception. Credit risk provision is made based on the best estimates of the Management about the market conditions (Note 10).

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other income.

Other Receivables and Payables

Other receivables and payables which are not classified as trade receivables and payables are shown in this section. For instance; deposits and guarantees given, non trade receivables from related parties, receivables from tax authorities, other receivables, other doubtful receivables etc. Other payables that are not mentioned above are shown in this section. For instance; payables to related parties which are not defined as customer or suppliers, deposits and guarantees received, payables to public authorities, other payables (Note 11).

Financial Liabilities

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities (Note 8).

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

Other Assets and Liabilities

Other Current/Non-Current Assets

Prepaid expenses and income accruals, prepaid taxes and funds, advances given to suppliers, work advances, advances given to personnel, deferred tax, other tax, deductible vat, inventory shortages, other current/non-current etc. are reported in "Other Current/Non-Current Assets (Note 26).

Other Short/Long Term Liabilities

Income relating to future months and expense accruals, inventory overages, other liabilities and etc. are classified in this group (Note 26).

Property Plant and Equipments

Items of property plant and equipments of the Turkish entities purchased before 1 January 2005 are stated at cost adjusted for the effects of inflation during the hyperinflationary period lasted through 31 December 2004, and property plant and equipment purchased after 1 January 2005 are recorded at their historical cost less accumulated depreciation and accumulated impairment losses.

Depreciation

Depreciation is recognized over the estimated useful lives of the related assets from the date of acquisition or the date of installation, on a straight-line basis.

Leasehold improvements are depreciated over the lower of the periods the respective leases and useful lives, on a straight-line basis.

The estimated useful lives for the current and comparative periods are as follows:

	Useful lives (Years)
Buildings	50
Machinery, plant and equipment	4-10
Fixed assets	5-15
Vehicles	5

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Useful life and amortization method are reviewed regularly and when required adjusting event are made (Note 18).

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

Intangible Assets

Intangible assets are carried at cost at first and carried at cost less accumulated amortization and impairment for the following periods. An intangible asset is recognized if it meets the identifiability criterion of intangibles, control exists over the asset; it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the costs can be measured reliably. Amortization of intangible assets is allocated on a systematic pro-rata basis using the straight-line method. Intangible assets including acquired rights, information systems and computer software are amortized using the straight-line method over their estimated useful economic lives of 3-14 years (Note 19).

Impairment of Financial Assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For loans and receivables carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS (available for sale) equity investments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of AFS equity securities, any increase in fair value subsequent to an impairment loss is recognized directly in equity.

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

Business Combinations and Goodwill

The acquisition of subsidiaries and businesses are accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of their fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquirer's identifiable assets, liabilities and contingent liabilities that meet the recognition criteria under IFRS 3, "Business Combinations" are recognized at fair value at the date of acquisition, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", which are recognized and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If, after reassessment, the Group's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities exceeds the cost of business combination, the excess is recognized immediately in profit or loss.

The interest of non-controlling interest's shareholder in the acquire is initially measured at the non-controlling interest's proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

In business combinations under common control, assets and liabilities subject to business combination are accounted for at carrying value in consolidated financial statements. Statements of income are consolidated starting from the beginning of the fiscal year in which the business combination is realized. Financial statements of previous fiscal years are restated in the same manner in order to maintain consistency and comparability. Any positive or negative goodwill arising from such business combination is not recognized in the consolidated financial statements. The residual balance calculated by netting off investment in subsidiary and the share acquired in subsidiary's equity is directly accounted for under equity as "effect of the business combinations in entities under common control" and presented in retained earnings (Note 20).

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

All other borrowing cost is recognized in the profit or loss in the period in which they are incurred (Note 8).

Earnings per Share

Earnings per share disclosed in the accompanying consolidated statement of income is determined by dividend net income by the weighted average number of shares circulating during the year concerned.

In Turkey, companies can raise their share capital by distributing "Bonus Shares" to shareholders from retained earnings. In computing earnings per share, such "bonus share" distributions are assessed as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

Subsequent Events

Events after balance sheet date comprise any event between the balance sheet date and date of authorization of the financial statements for publication, even if any event after the balance sheet date occurred subsequent to an announcement on the Group's profit or following any financial information disclosed to public.

If there is evidence of such event as at balance sheet date or if such events occur after balance sheet date and if adjustments are necessary, Group's financial statements are adjusted according to the new situation. The Group discloses the post-balance sheet events that are not adjusting events but material (Note 40).

Provisions, Contingent Assets and Liabilities

Provisions

Provisions are recognized when the Group has legal and constructive 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. Contingent liabilities are not recognized in the financial statements but disclosed in the notes if the possibility of any outflow is low. Contingent assets are not included in financial statements but explained in the notes if an inflow of economic benefits is probable (Note 22).

Contingent Assets and Liabilities

Contingent liabilities are not recognized in the financial statements but they are disclosed only, unless the possibility of an outflow of resources embodying economic benefits is probable. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefit is probable.

Related parties

For the purpose of these financial statements other associated parties (individual and legal entity shareholders, subsidiaries and associates, entities other than subsidiaries and associates in which shareholders of the Group have a direct and indirect relationship, board members and other managers of the Group and their close family members who take part in the directly or indirectly planning, running and supervision of operations of the Group or of the companies which are under their direct or indirect control) are referred to as related parties. Transactions with related parties are explained in the notes of financial statements.

Parties are related to the Group if:

- (a) Directly or indirectly through one or more intermediaries, the party
 - (i) controls, is controlled by, or is under common control with the Group (this includes parent, subsidiaries and fellow subsidiaries);
 - (ii) has an interest in the Group that gives it significant influence over the Group; or
 - (iii) has joint control over the Group;
- (b) the party is an associate of the Group;
- (c) the party is a joint venture in which the Group is a venture;
- (d) the party is member of the key management personnel of the Group as its parent;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

A related party transaction is a transfer of resources, services or obligation between related parties, regardless of whether a price is charged.

Disclosures regarding related party transactions and outstanding balances are given in Note 37.

Income Tax

Income tax expense comprises current and deferred tax. Current taxes on income comprise tax payable calculated based on the expected taxable income for the year using the tax rates existing at the balance sheet date and restatement of previous year tax payable. Income tax expense is recognized in the consolidated statement of comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date. Temporary differences are mainly aroused from accounting of income and expenses at different reporting periods according to taxation purposes and financial reporting purposes and differences in capitalization and depreciation computations related tangible assets.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized (Note 35).

Employee Benefits / Retirement Pay Liability

In accordance with existing labor law in Turkey, the Company and its subsidiaries in Turkey are required to make lump-sum payments to employees who have completed one year of service and whose employment is terminated without cause or who retire, are called up for military service or die. Such payments are calculated on the basis of 30 days' pay maximum full TL 2.731,85 as at 31 December 2011 per year of employment at the rate of pay applicable at the date of retirement or termination. Reserve for retirement pay is computed and reflected in the consolidated interim financial statements on a current basis. The reserve has been calculated by estimating the present value of future probable obligation of the Company and its subsidiaries in Turkey arising from retirement of the employees (Note 24).

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

Statements of Cash Flows:

In statement of cash flow, cash flows are classified according to operating, investment and finance activities.

Cash flows from operating activities reflect cash flows mainly generated from brokerage and portfolio management operations of the Group. Cash flows from investment activities express cash used investment activities (direct investments and financial investments) and cash flows generated from investment activities of the Group, cash flows relating to finance activities express sources of financial activities and payment schedules of the Group.

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investment whose maturities are three months or less from date of acquisition and that are readily convertible to known amount cash and are subject to an insignificant risk of changes in value.

E. Significant Accounting Judgments Estimates and Assumptions

The preparation of 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 reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

3. BUSINESS COMBINATIONS

None (31.12.2010: None).

4. JOINT VENTURES

None (31.12.2010:None).

5. SEGMENT REPORTING

In terms of management accounting, the Group is diverted into three operation departments; brokerage operations, mutual fund and portfolio management. Segment reporting is based on these three operation fields.

01.01.-31.12.2011	Brokerage Operations	Investment in Mutual Funds	Portfolio Management	Consolidation Adjustments	Total
Sales Revenue					
- Sales	271.799.848	186.080.427	13.476.003	--	471.356.278
- Service Income	28.204.208	--	242.153	(100.528)	28.345.833
- Service Income Deductions (-)	(4.998.284)	--	--	--	(4.998.284)
Cost of sales (-)	(271.099.803)	(185.141.035)	(13.470.156)	--	(469.710.994)
Other operating income/(expense) net	6.801.655	121.931	--	--	6.923.586
Gross Profit	30.707.624	1.061.323	248.000	(100.528)	31.916.419

01.01.-31.12.2010	Brokerage Operations	Investment in Mutual Funds	Portfolio Management	Consolidation Adjustments	Total
Sales Revenue					
- Sales	443.371.944	210.374.939	13.758.134	--	667.505.017
- Service Income	30.596.888	--	298.650	(76.730)	30.818.808
- Service Income Deductions (-)	(5.725.255)	--	--	--	(5.725.255)
Cost of sales (-)	(442.994.540)	(208.803.939)	(13.824.759)	--	(665.623.238)
Other operating income/(expense), net	4.719.331	--	--	--	4.719.331
Gross Profit	29.968.368	1.571.000	232.025	(76.730)	31.694.663

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

6. CASH AND CASH EQUIVALENTS

	31.12.2011	31.12.2010
Cash	--	--
Cash in banks		
- Demand deposit	3.686.221	2.152.815
- Time deposit (*)	78.876.709	79.620.818
Receivables from reverse repo	--	1.411.245
Cash warrants of VOB	248.794	--
Private sector bonds (with maturities three months or less)	3.159.168	--
Government bonds (with maturities three months or less)	3.490.402	1.861.237
Receivables from Stock Exchange Money Market	331.203	289.071
Others	83	11.670
Total	89.792.580	85.346.856

(*) Average maturity on time deposits is 13 days and time deposits' interest rates vary between 6,25% - 12,75% as of 31December 2011 (31 December 2010; 7,26% - 8,5%).

7. FINANCIAL INVESTMENTS

Short term financial investments	31.12.2011	31.12.2010
Fair value difference of the financial investments that are reflected to the income statement	9.034.456	10.934.266
Total	9.034.456	10.934.266

Details of trading financial instruments as of 31.12.2011:

	Cost Value	Book Value	Fair Value
Public sector bonds and notes	4.973.706	5.009.594	5.006.823
Private sector bonds and notes	378.935	383.153	383.153
Share certificates	3.130.947	3.387.289	3.375.736
Other securities	282.926	282.926	268.744
Total	8.766.514	9.062.962	9.034.456

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

7. FINANCIAL INVESTMENTS (continued)

Details of trading financial instruments as of 31.12.2010:

	Cost Value	Book Value	Fair Value
Public sector bonds and notes	7.339.862	7.429.026	7.429.026
Share certificates	3.077.168	3.373.106	3.373.106
Other securities	117.595	132.134	132.134
	10.534.625	10.934.266	10.934.266

Long term financial investments	31.12.2011	31.12.2010
VOB Guaranty Fund Deposit	212.857	--
Gelişen İşletmeler Piyasası A.Ş.	2.020	2.020
İMKB Takas ve Saklama Merkezi A.Ş.	247.196	247.196
Total	462.073	249.216

8. FINANCIAL LIABILITIES

Type of credit	31.12.2011	31.12.2010
Payables to Stock Exchange Money Market operations (*)	6.900.993	--
Spot Loan	--	17
Total	6.900.993	17

(*) Interest rates of Stock Exchange Money Market loans vary between 5,10 % – 7,25 % as of 31 December 2011.

9. OTHER FINANCIAL LIABILITIES

None (31.12.2010: None).

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

10. TRADE RECEIVABLES AND PAYABLES

Short Term Trade Receivables	31.12.2011	31.12.2010
Receivables from customers	4.398.079	8.170.078
Receivables from customers with credit	37.459.811	33.078.492
Receivables from VOB and Takas Merkezi	12.524.849	18.186.882
Receivables from related parties (Note 37)	28.986	23.570
Other trade receivables	33.156	1.482.371
Doubtful trade receivables (*)	32.896	191.325
Provision for doubtful trade receivables (-)	(32.896)	(168.126)
Total	54.444.881	60.964.592

(*) Provision was reserved for unguaranteed part of doubtful trade receivables.

Details of doubtful trade receivables:

	31.12.2011	31.12.2010
Beginning of period	168.126	117.349
Reserved provision within the period	1.865	102.376
Collected within the period (-)	(137.095)	(51.599)
End of period	32.896	168.126

Long Term Trade Receivables	31.12.2011	31.12.2010
Notes Receivables (**)	7.297	7.297
Doubtful trade receivables	32.669	141.155
Provision for doubtful trade receivables (-)	(10.005)	(138.991)
Total	29.961	9.461

(**)Maturity details for notes receivables are as follows:

Notes receivables	31.12.2011	31.12.2010
with maturities more than one year	7.297	7.297
Total	7.297	7.297

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

10. TRADE RECEIVABLES AND PAYABLES (continued)

Short Term Trade Payables	31.12.2011	31.12.2010
Suppliers	266.550	616.574
Due to customers	13.939.606	22.012.859
Due to customers with credit	1.478.423	3.368.594
Liabilities from Accretion Transactions	6.065.874	5.108.420
Due to VOB and Takas Merkezi	3.415.342	9.884.899
Liabilities from Customer Deposits	49.217.834	56.858.175
Due from VOB	573.574	--
Due to related parties (Note 37)	71.582	55.423
Others	28.313	33.584
Total	75.057.098	97.938.528

11. OTHER RECEIVABLES AND PAYABLES

Other Short Term Receivables	31.12.2011	31.12.2010
Deposits and guarantees given	99.561	117.090
Receivables from personnel	265	2.395
Tax receivables	2.000	2
Other receivables	7.683	900
Total	109.509	120.387

Other Long Term Receivables	31.12.2011	31.12.2010
Deposits and guarantees given	90.975	199.318
Total	90.975	199.318

Other Short Term Payables	31.12.2011	31.12.2010
Due to personnel	422.831	533.981
Taxes and funds payable	415.657	490.694
Social security premiums payable	288.282	186.216
Deposits and guarantees received	52	52
Others	55.435	5.657
Total	1.182.257	1.216.600

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

11. OTHER RECEIVABLES AND PAYABLES (continued)

Other long term payables	31.12.2011	31.12.2010
Deposits and guarantees received	7.297	7.297
Total	7.297	7.297

12. RECEIVABLES AND PAYABLES FROM FINANCE SECTOR ACTIVITIES

None (31.12.2010: None).

13. INVENTORIES

None (31.12.2010: None).

14. BIOLOGICAL ASSETS

None (31.12.2010: None).

15. RECEIVABLES FROM CONSTRUCTION CONTRACTS IN PROGRESS

None (31.12.2010: None).

16. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

None (31.12.2010: None).

17. INVESTMENT PROPERTIES

None (31.12.2010: None).

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

18. PROPERTY PLANT AND EQUIPMENT

	31.12.2010	Addition	Disposal	31.12.2011
Buildings	1.631.395	--	--	1.631.395
Machinery and equipment	2.327.014	440.939	(19.646)	2.748.307
Vehicles	513.030	180.851	(81.049)	612.832
Fixtures and fittings	13.321.495	27.702	(21.010)	13.328.187
Leasehold improvements	2.455.667	21.416	(14.247)	2.462.836
Total	20.248.601	670.908	(135.952)	20.783.557
Buildings depreciation (-)	251.319	32.827	--	284.146
Machinery and equipment depreciation (-)	1.781.545	215.439	(19.452)	1.977.532
Vehicles depreciation (-)	355.715	88.608	(81.049)	363.274
Fixtures and fittings depreciation (-)	13.246.304	25.260	(15.909)	13.255.655
Leasehold improvements depreciation (-)	2.253.724	69.714	(12.401)	2.311.037
Total	17.888.607	431.848	(128.811)	18.191.644
Net Total	2.359.994			2.591.913
	31.12.2009	Addition	Disposal	31.12.2010
Buildings	1.631.395	-	-	1.631.395
Machinery and equipment	2.128.049	198.965	-	2.327.014
Vehicles	683.746	75.073	(245.789)	513.030
Fixtures and fittings	13.313.717	21.509	(13.731)	13.321.495
Leasehold improvements	2.385.691	69.976	-	2.455.667
Total	20.142.598	365.523	(259.520)	20.248.601
Buildings depreciation (-)	218.492	32.827	-	251.319
Machinery and equipment depreciation (-)	1.550.768	230.777	-	1.781.545
Vehicles depreciation (-)	492.868	76.407	(213.560)	355.715
Fixtures and fittings depreciation (-)	13.223.867	34.006	(11.569)	13.246.304
Leasehold improvements depreciation (-)	2.179.200	74.524	-	2.253.724
Total	17.665.195	448.541	(225.129)	17.888.607
Net Total	2.477.403			2.359.994

Current period depreciation expense which is TL 431.848 (2010: TL 448.541) is included in general administration expenses (Note 29).

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

19. INTANGIBLE ASSETS

	31.12.2010	Addition	Disposal	31.12.2011
Rights	763.261	212.516	--	975.777
Total	763.261	212.516	--	975.777
Rights amortization (-)	549.357	27.421		576.778
Total	549.357	27.421	--	576.778
Net Total	213.904			398.999

	31.12.2009	Addition	Disposal	31.12.2010
Rights	722.733	40.528	--	763.261
Total	722.733	40.528	--	763.261
Rights amortization (-)	524.651	24.706	--	549.357
Total	524.651	24.706	--	549.357
Net Total	198.082			213.904

Current period amortization expense which is TL 27.421 (2010: TL 24.706) is included in general administration expense (Note 29).

20. GOODWILL

Goodwill generated from Marbaş B Tipi Menkul Kıymetler Yatırım Ortaklığı A.Ş.'s acquisition is TL 127.297 (31.12.2010: TL 127.297).

21. GOVERNMENT GRANTS

None (31.12.2010: None).

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

22. PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

	31.12.2011	31.12.2010
Provision for commission reimbursement	20.192	215.013
Provision for communication expense	10.000	12.257
Provision for share of Rafet Tunaboynu	114.576	141.390
İMKB, MKK and Takasbank expenses	57.101	--
Provision for customer commission reimbursement	141.085	--
Other expense provisions	102.209	188.107
Total	445.163	556.767

Non cash liabilities

Letters of Guarantee Given	31.12.2011	31.12.2010
Capital Markets Board of Turkey	958.380	2.108.380
Issued Security Fund	1.776	1.776
Takasbank	8.650.000	4.500.000
Istanbul Stock Exchange	13.961.000	16.695.450
Turkish Derivative Exchange (VOB)	180.000	1.005.000
Other	126.237	--
Total	23.877.393	24.310.606

The Company and its subsidiaries define and manage their capital in accordance with the Serial: V, No: 34 numbered CMB Communiqué. The Group led their obligations about the capital requirement as of 31 December 2011 and 31 December 2010.

In accordance with the Article 32/8 from the 5838 numbered act effective from 01.03.2009 and with the clause added to the 6802 numbered excise tax law, the Group is free from the banking and insurance transaction (BSMV) tax arising from their capital market operation income.

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

22. PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES (continued)

Guarantee – Pledge - Mortgage

Guarantee – Pledge – Mortgage (“GPM”) position of the Group as at 31.12.2011 and 31.12.2010 are as follows:

Guarantee – Pledge – Mortgages (GPM) given by the Company:	31.12.2011	31.12.2010
A. GPM given on behalf of its own legal entity	23.877.393	24.310.606
B. GPM given on behalf of consolidated subsidiaries Total GPM	--	--
C. Total amount of GPM given on behalf of other third parties ‘debt	--	--
D. Other GPM	--	--
i. Total amount of GPM given on behalf of the Parent	--	--
ii. Total amount of GPM given on behalf of other group companies Not covered in B and C	--	--
iii. Total amount of GPM given on behalf of third parties not covered in C	--	--
Total	23.877.393	24.310.606

There are no obligations on the mutual funds of the Group.

Ratio of other provisions, contingent assets and liabilities given by the Group, to the Groups’ Equity is 34% as at 31.12.2011 (31.12.2010: 41%).

23. COMMITMENTS

None (31.12.2010: None).

24. RESERVE FOR EMPLOYMENT TERMINATION BENEFITS

Short Term Benefits for Employees

	31.12.2011	31.12.2010
Unused Leave Rights	164.262	113.918

Movements of provision for unused leave rights were shown below;

	31.12.2011	31.12.2010
01.01.2011	113.918	105.042
Provision for the current period	50.344	8.876
Cancelled provision within the period (-)	--	--
Total	164.262	113.918

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

24. RESERVE FOR EMPLOYMENT TERMINATION BENEFITS (continued)

Long Term Benefits for Employees

Provision for employment termination benefits	31.12.2011	31.12.2010
Provision for employment termination benefits	1.033.490	350.582

Under the Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men).

The liability is not funded, as there is no funding requirement. The provision has been calculated by estimating the present value of the future probable obligation arising from retirement of employees. IAS 19 requires actuarial valuation methods to be developed to estimate the provision for employment termination benefits. Accordingly, the following actuarial assumptions were used in the calculation of the total liability.

	31.12.2011	31.12.2010
Annual discount rate (%)	4,66	4,66
Probability of retirement (%)	85,47	85,47

The main assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation.

Therefore as at 31.12.2011 provisions from the consolidated financial statements are made by estimating the discounted value of the probable liabilities that may arise from the future retirements of the employees.

The applicable retirement pay provision ceiling as at 31 December 2011 is TL 2.731,85 for the calculation of employment termination benefits. The retirement pay provision ceiling is revised semi-annually. (31.12.2010 TL 2.517,01).

As a result, provision reflected to the accompanying consolidated financial tables as at 31.12.2011 and 31.12.2010 is calculated by estimating the discounted value of the probable liabilities that may arise from the future retirement of the employees.

Provision for employment termination benefits	31.12.2011	31.12.2010
01.01.2011	350.582	286.921
Reserved provision within the period	797.702	133.861
Cancelled provision within the period (-)	(114.794)	(70.200)
Total	1.033.490	350.582

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

25. RETIREMENT BENEFITS

None (31.12.2010: None).

26. OTHER ASSETS AND LIABILITIES

Other Current Assets	31.12.2011	31.12.2010
Prepaid expenses for future months	116.938	119.159
Income accruals	204	4.337
Prepaid taxes and funds	2.774.876	2.086.809
Total	2.892.018	2.210.305

Other Fixed Assets	31.12.2011	31.12.2010
Prepaid expenses for future years	911	2.058
Total	911	2.058

Other Short Term Liabilities

None (31.12.2010: None).

Other Long Term Liabilities

None (31.12.2010: None).

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

27. EQUITY

Paid Capital

Name Surname (Commercial Name)	Share Rate (%)	31.12.2011		31.12.2010	
		Share Amount (TL)	Share Rate (%)	Share Amount (TL)	Share Rate (%)
Erhan TOPAÇ	35	16.380.000	35	12.600.000	
Gedik Holding A.Ş.	21	9.828.000	21	7.560.000	
Hakkı GEDİK	10	4.680.000	10	3.600.000	
Hülya SADIKLAR	10	4.680.000	10	3.600.000	
Halil Kaya GEDİK	9	4.212.000	9	3.240.000	
Halka Arz Edilen Kısım (*)	15	7.020.000	15	5.400.000	
General Total	100,00	46.800.000	100,00	36.000.000	

The authorized share capital ceiling of the Company is TL 50.000.000. The capital consists of 50.000.000 shares that have nominal value of TL 1 each.

(*) As at 31.12.2011 Marbaş B Tipi Yatırım Ortaklığı has 2.14% and Gedik Yatırım Ortaklığı has 3.6% of the total shares of Gedik Yatırım Menkul Değerler A.Ş.'s public shares part.

The Company's issued capital is TL 46.800.000. This capital consists of 46.800.000 shares that have a nominal value of TL 1 each. All of the previous capital which was TL 36.000.000 was paid off.

The total amount of TL 10.800.000 increase to the capital was generated from extraordinary reserves which was composed of previous years' profit.

Share premium

	31.12.2011	31.12.2010
Share Premium	285	124
Total	285	124

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

27. EQUITY (continued)

Restricted Reserves

These reserves include income from previous period's reserves which restricted for obligations based on law or agreement.

Legal Reserves

Retained earnings as per the statutory financial statements other than legal reserves are available for distribution, subject to legal reserve requirement referred to below;

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code, are not distributable to shareholders. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital.

The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions. Under the TCC, the legal reserves can be used only to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

According to Group's official records:

	31.12.2011	31.12.2010
Restricted reserves set aside from profits	4.377.356	3.535.192
Total	4.377.356	3.535.192

Profit/ (Loss) from previous years

	31.12.2011	31.12.2010
Extraordinary Reserves	3.579.579	3.311.611
Profit/(Loss) from previous years	1.192.994	1.022.952
Total	4.772.573	4.334.563

Minority Interest

Group's minority interest rates details as of 31.12.2011 and 31.12.2010:

Minority Interest	31.12.2011	31.12.2010
Beginning of period	3.399.267	3.600.920
Additions / (Disposals)	83.891	(505.486)
Profit / (Loss) rate from consolidated participations	168.008	303.833
End of period	3.651.166	3.399.267

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

27. EQUITY (continued)

Dividends

Following the resolution of the Turkish Capital Markets Board dated 27.01.2010 and numbered 02/51 in respect of profit distributions, there will be no minimum profit distribution requirement for publicly quoted companies from their profits earned in 2009 and any profit distribution will be made in accordance with the specific guidelines of the Turkish Capital Markets Board announced in the Communiqué No: IV/27 in respect of “ Rules and Procedures to be Adhered to by Publicly Quoted Companies Subject to the Provisions and Regulations of the Turkish Capital Markets Board in respect of Dividend and Advance on Dividend Distributions.”

According to the Turkish Commercial Code, companies are obliged to appropriate legal reserves prior to any profit distribution. The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code. The Turkish Commercial Code stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company’s paid-in capital.

In accordance with the Turkish Capital Markets Board decision, during the calculation of distributable profits by the companies obliged to prepare financial statements; the companies can determine the amount of distributable profits by taking into account the net profit on the financial statements that are prepared and announced to the public according to “Communiqué on Financial Reporting Standards in Capital Markets” which includes profits from associates, joint ventures and subsidiaries that are transferred to the profit of the Company, regardless of whether these companies’ general assembly approved any dividend distributions, as long as these distributable profits can be funded by the reserves in the statutory accounts of the companies.

Inflation adjustment to shareholder equity and book value of extraordinary reserves can be used as an internal source in capital, dividend distribution in cash or net-off against prior years’ loss. In case the inflation adjustment to shareholders’ equity is used for dividend distribution in cash, the distribution is subject to corporate tax.

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

28. SALES AND COST OF SALES

Revenue	01.01.- 31.12.2011	01.01.- 31.12.2010
Government Bond	253.873.401	442.588.344
Government Bond Repo	146.514.503	186.173.350
Share Certificates	55.217.334	24.731.326
Government Bond	9.852.416	4.136.275
Government Bond Repo	2.447.483	9.429.731
Private Sector Government Bond	1.442.714	--
VOB	1.319.912	442.956
Mutual Fund	688.515	--
Bonds with Foreign Currency	--	3.035
Total	471.356.278	667.505.017
Service Income, (net)		
Brokerage Commission	28.171.629	30.520.158
Portfolio Management Commission Income	174.204	298.650
Total	28.345.833	30.818.808
Sales returns (-)		
Trading Commission Rebates to Customers (-)	(4.998.284)	(5.725.255)
Total	494.703.827	692.598.570
Other Income/(expense) from operating expense, net		
Interest income	6.826.598	4.684.023
Government bonds unrealized gain / (losses), net	164.711	161.650
Private Sector Government bonds unrealized gain / (losses), net	70.669	--
Treasury bills unrealized gain / (losses), net	36.917	--
Dividend income	36.221	43.940
VOB value gain / (losses), net	16.104	16.973
Reverse repo interest income	4.697	167
Other	208	--
Share certificate unrealized gain / (losses), net	(232.539)	(187.422)
Total	6.923.586	4.719.331
Cost of Sales (-)		
Foreign Currency Bonds (-)	--	(1.957)
Government Bonds (-)	(253.177.780)	(441.886.094)
Government Bond Repo (-)	(146.479.000)	(186.196.453)
Share Certificates (-)	(54.334.926)	(23.546.051)
Treasury Bills (-)	(9.838.037)	(4.123.438)
Treasury Bills Repo (-)	(2.447.000)	(9.427.000)
Private Sector Government Bond	(1.397.422)	--
VOB (-)	(1.304.537)	(442.245)
Mutual Fund (-)	(732.292)	--
Total	(469.710.994)	(665.623.238)
GROSS PROFIT / (LOSS)	31.916.419	31.694.663

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

29. RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SELLING AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES

	01.01.- 31.12.2011	01.01.- 31.12.2010
Marketing, sales and distribution expenses	3.528.714	5.482.192
General administrative expenses	16.577.046	14.184.960
Total	20.105.760	19.667.152

30. OPERATING EXPENSE BREAKDOWN

	01.01.- 31.12.2011	01.01.- 31.12.2010
Personnel Expenses (-)	8.568.102	7.416.401
Depreciation and amortization expenses (-)	459.269	473.247
Total	9.027.371	7.889.648

31. OTHER INCOME / (EXPENSES)

Income from other activities	01.01.- 31.12.2011	01.01.- 31.12.2010
Provision no longer required	315.496	123.085
Income from sale of property, plant and equipment	65.409	11.768
Advisory income	154.271	11.100
Other	434.703	232.616
Total	969.879	378.569

Expenses from other activities	01.01.- 31.12.2011	01.01.- 31.12.2010
Provision expenses	2.071	--
Guarantee letter commission	79.607	--
Other	14.970	141.724
Total	96.648	141.724

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

32. FINANCIAL INCOME

	01.01.- 31.12.2011	01.01.- 31.12.2010
Interest Income	3.341.530	1.879.298
Dividend Income	25.243	1.205.609
Foreign Exchange Gains	43.119	9.352
Increase in Value of Financial Assets	4.612.531	712.071
Total	8.022.423	3.806.330

33. FINANCIAL EXPENSE

	01.01.- 31.12.2011	01.01.- 31.12.2010
Loss in Value of Financial Assets (-)	4.395.997	614.838
Foreign Exchange Losses (-)	43.603	7.637
Stock Exchange Money Market Interest expenses (-)	475.985	150.305
Total	4.915.585	772.780

34. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None (2010: None).

35. TAX ASSETS AND LIABILITIES

	01.01.- 31.12.2011	01.01.- 31.12.2010
Provision for income tax for the period (-)	(3.182.694)	(2.618.311)
Deferred tax income / (expense)	126.205	329.813
Total	(3.056.489)	(2.288.498)

The effective tax rate in 31.12.2011 is 20% (31.12.2010 20%). Losses can be carried forward for offset against future taxable income for up to 5 years. Losses cannot be carried back for offset against profits from previous periods. %15 withholding tax is applied on the portfolio management income of the securities investment funds and trusts in Turkey, which is exempt from tax, whether it is distributed or not.

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

35. TAX ASSETS AND LIABILITIES (continued)

In Turkey, there is no procedure for a final and definitive agreement on tax assessment. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. Companies with special accounting periods file their tax returns between 1st and 25th days of fourth month after the fiscal year end. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessment within five years.

Taxation for Investment Trusts

In accordance with the Clause (1) (d) in Article 5 of the Corporate Tax Law No: 5520 and dated 21 June 2006 in effect from 1 January 2006, portfolio management income of the securities investment funds and trusts in Turkey is exempt from tax. This exemption is also applied to the advance corporate tax.

As per Clause (8) of the Provisional Article 67, 15% withholding tax is applied on the securities investment funds established in accordance with Capital Market Law (including funds traded on stock exchange, mortgage finance funds and asset finance funds) and securities investment trusts' portfolio income that is exempt from corporate tax, whether distributed or not. There is no further withholding tax for the related income under the Article 94. Upon the decision made by the Council of Ministers numbered 2006/10731 and dated 22 July 2006, the related withholding tax rate was applied as 10% for the period 23 July 2006 – 20 September 2006 and 0% subsequent to 1 October 2006.

Deferred Tax

The Group recognizes deferred tax assets and liabilities based upon the temporary differences between its financial statements as reported in accordance with IFRS and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for IFRS and tax purposes and they are given below.

20% of tax is applied in the calculation of deferred tax assets and liabilities (2010: 20%).

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

35. TAX ASSETS AND LIABILITIES (continued)

	Temporary Differences		Deferred Tax Assets / (Liabilities)	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
<u>Deferred Tax Assets</u>				
Adjustment to Provision for Doubtful Receivables	4.878	3.013	976	603
Marketable Securities Increase of Value	479.426	1.565.882	95.885	313.177
Provision for Leave	164.262	113.918	32.852	22.784
Severance Pay Adjustment	1.007.692	--	201.539	--
Prior Year Losses	--	36.102	--	7.220
Cancellation of Prior Year Increase in Value of Securities	--	354	--	71
Cancellation of Prior Period's Foreign Exchange Gain	--	1.920	--	384
Cancellation of Prior Periods's Subsidiary Adjustment	6.930	--	1.386	--
Interest accrual on loans	6.892	--	1.378	--
Other	1.011	7.837	202	1.567
Total	1.671.091	1.729.026	334.218	345.806
<u>Deferred Tax Liabilities</u>				
Difference Between Tangible and Intangible Assets' Their Book Value and Tax Base	(427.689)	(424.572)	(116.181)	(84.912)
Severance Pay Adjustment	--	(1.040.952)	--	(208.190)
Foreign Exchange Gain	--	(1.253)	--	(251)
Cancellation of Prior Period Provision for Doubtful Receivables	--	(3.129)	--	(626)
Interest Income	(5.311)	(7.207)	(1.060)	(1.441)
Marketable Securities Value Increase	(1.440)	--	(288)	--
Cancellation of Prior Period Loss in Value of Securities	--	(34.693)	--	(6.938)
Other	(256.952)	(21.808)	(51.389)	(4.361)
Total	(691.392)	(1.533.614)	(168.918)	(306.719)
Deferred Tax Assets/(Liabilities)	979.699	195.412	165.300	39.087
Deferred Tax Income / (Expense) for the period of 31 December 2011				126.213

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

36. EARNINGS PER SHARE

	01.01.- 31.12.2011	01.01.- 31.12.2010
Parent Company Net Profit / (Loss)	12.566.239	12.705.575
Weighted Average Number of Common Shares Issued	46.800.000	36.000.000
Earnings per share Profit / (Loss) (TL)	0,2685	0,3529

37. DUE FROM DUE TO RELATED PARTIES

Transactions of related parties for the period of 01.01.-31.12.2011 and 01.01-31.12.2010 are as follows

Due from Related Parties	31.12.2011	31.12.2010
G-20 Countries Marketable Foreign Fund	888	--
A Type Stock Certificate Fund	1.747	873
B Type Liquid Fund	20.250	20.976
B Type Bond and Bill Fund	487	348
Kronos Alpha A Type Variable Fund	1.974	433
A Type Mixed Fund	3.640	940
Total	28.986	23.570

Due to Related Parties	31.12.2011	31.12.2010
Gedik Döküm ve Vana Sanayi ve Ticaret A.Ş.	20.639	19.800
Gedik Holding A.Ş.	26.240	24.004
Gedik Üniversitesi	3.186	2.124
Gedik Kaynak Sanayi ve Ticaret A.Ş.	165	--
G-20 Countries Marketable Foreign Fund	1.227	--
A Type Stock Certificate Fund	416	296
B Type Liquid Fund	18.015	7.121
B Type Bond and Bill Fund	544	569
Kronos Alpha A Type Variable Fund	262	850
A Type Mixed Fund	888	659
Total	71.582	55.423

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

37. DUE FROM DUE TO RELATED PARTIES (continued)

Service Income	01.01.- 31.12.2011	01.01.- 31.12.2010
Gedik B Variable Fund Management Price	157.730	283.343
A Type Mixed Fund Commission Income	48.628	15.623
A Type Stock Fund Commission Income	47.258	14.587
Kronos Alpha A Type Variable Fund Management Price	28.693	1.881
Kronos Alpha A Type Variable Fund Commission Income	18.988	2.742
Gedik Mixed Fund Management Price	15.230	11.560
Gedik Stock Fund Management Price	9.667	15.926
Erhan Topaç	5.328	4.195
B Type G-20 Countries Marketable Foreign Fund Management Price	3.671	--
B Type Bonds and Bills Fund Management Price	2.147	4.947
Total	337.340	354.804

Service Expenses	01.01.- 31.12.2011	01.01.- 31.12.2010
Gedik Döküm ve Vana Sanayi ve Ticaret A.Ş. – Rent expense	255.722	237.605
Gedik Holding A.Ş. – Rent expense	102.413	96.993
Gedik Meslek Yüksek Okulu	12.744	9.027
Total	370.879	343.625

Key Management Personnel Benefits	01.01.- 31.12.2011	01.01.- 31.12.2010
Short Term Employee Benefits	302.136	1.999.474
Total	302.136	1.999.474

Group has no receivable or debt from/to its related parties which were guaranteed or conditioned.

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

38. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial Risk Factors

Capital Risk Management

Based on the recommendations of the Board of Directors, the Group balances its overall capital structure through the payment of dividends, new share issues and investment in shares of associates and subsidiaries as well as issuance of a new debt or the redemption of an existing debt.

In its capital management, while the Group maintains to continue its operations on a going concern basis, it also maximizes its return through the optimization of the debt and equity balance.

	31.12.2011	31.12.2010
Total Liabilities	88.142.172	103.108.739
Less: Cash and Cash Equivalents	(89.792.580)	(85.346.856)
Net Liabilities	(1.650.408)	17.761.883
Total Equity	72.167.619	59.974.721
Liability / Equity Rate	-- %	30%

Credit Risk

Credit risk refer to the counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit risk is mitigating by receiving equity shares of listed entities as collateral in accordance with the legal requirements of the Turkish Capital Markets Board against credit lines utilized by customers.

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

38. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Financial Risk Factors (continued)

Credit Risk (continued)

Overdue and Impaired Assets:

Current Period	Receivables	
	Trade Receivables	Other Receivables
1-30 days past receivables	-	-
1-3 months past receivables	-	-
3-12 months past receivables	32.896	-
1-5 years past receivables	10.005	-
Over 5 years past receivables	-	-
Part under guarantee with collateral etc.	-	-
Prior Period	Receivables	
	Trade Receivables	Other Receivables
1-30 days past receivables	-	-
1-3 months past receivables	-	-
3-12 months past receivables	168.126	-
1-5 years past receivables	138.991	-
Over 5 years past receivables	-	-
Part under guarantee with collateral etc.	-	-

Liquidity Risk

Liquidity risk is the Group's default in meeting its net funding liabilities. Events causing a decrease in funding resources such as; market deteriorations or decrease in credit ratings are major reasons of liquidity risk. The Group manages its liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities through a constant monitoring forecast and actual cash flows and matching the maturity profile of financial assets and liabilities. The Group has no derivative financial liability.

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

38. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Financial Risk Factors (continued)

Liquidity Risk (continued)

The following table details the Group's expected maturity for its non-derivative financial liabilities.

Current Period

Contractual maturities	Book Value	Total Contractual Cash Outflow (=I+II+III+IV)	Less than	3-12	1-5 years	More than 5
			3 months (I)	months (II)	(III)	years (IV)
Non derivative financial liabilities	83.147.647	83.147.647	83.147.647	-	7.297	-
Bank loans	6.900.993	6.900.993	6.900.993	-	-	-
Trade payables	75.057.098	75.057.098	75.057.098	-	-	-
Other payables	1.189.554	1.189.554	1.182.257	-	7.297	-

Prior Period

Contractual maturities	Book Value	Total Contractual Cash Outflow (=I+II+III+IV)	Less than	3-12	1-5 years	More than 5
			3 months(I)	months (II)	(III)	years (IV)
Non derivative financial liabilities	99.162.442	99.162.442	99.155.145	-	7.297	-
Bank loans	17	17	17	-	-	-
Trade payables	97.938.528	97.938.528	97.938.528	-	-	-
Other payables	1.223.897	1.223.897	1.216.600	-	7.297	-

Market Risk

The market risk arises from changes in interest rates, foreign currency or in the fair value of financial assets and other financial contracts that may affect the Group adversely.

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

38. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Financial Risk Factors (continued)

Foreign currency risk

Foreign currency risk is the risk of volatility in the foreign currency denominated monetary assets, monetary liabilities and off-balance sheet liabilities due to changes in currency exchange rates.

The Group does not have foreign currency assets and liabilities as at 31.12.2011 and 31.12.2010.

Interest rate risk

The Group is exposed to interest rate risk due to volatile market prices of its financial assets at both fixed and floating interest rates. The Group's exposure to interest rate risk sensitivity depends on the mismatch among maturities of interest rate sensitive assets and liabilities. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate assets and liabilities.

Interest Risk Position Table			
		Current Period	Prior Period
Fixed interest rate financial instruments			
Financial assets	Financial assets at fair value through profit or loss	9.034.456	10.934.266
	Available for sale financial assets	462.073	249.216
Financial liabilities		-	-
Floating rate financial assets			
Financial assets		-	-
Financial liabilities		6.900.993	17

The Group is under the risk about probability of changing in price of share certificate price.

If there was a 10% increase/decrease in the price of these share certificates which are traded in İMKB (Istanbul Stock Exchange), Group's net profit/loss would increase or decrease TL 337.574 accordingly when everything else is equal (under ceteris paribus) (31.12.2010: TL 337.311).

If the interest rates were 1% higher / lower as of 31.12.2011, profit before tax would be TL 1.000 higher / lower accordingly.

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

39. FINANCIAL INSTRUMENTS: DISCLOSURES (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING DISCLOSURES)

	Other financial assets measured with effective interest method	Loans and receivables	Available for sale financial assets	Financial assets Financial assets And liabilities at Fair value through Profit or loss	Amortized financial liabilities	Book value	Fair value	Note
31.12.2011								
Financial assets								
Cash and cash equivalent	89.792.616	-	-	-	-	89.792.616	89.792.616	6
Trade receivables	-	54.444.881	-	-	-	54.444.881	54.444.881	10
Financial investments	-	-	462.073	9.062.962	-	9.525.035	9.496.529	7
Financial liabilities								
Financial liabilities	-	-	-	-	6.900.993	6.900.993	6.900.993	8
Trade payables	-	-	-	-	75.057.098	75.057.098	75.057.098	10
Other financial liabilities	-	-	-	-	3.182.694	3.182.694	3.182.694	35
31.12.2010								
Financial assets								
Cash and cash equivalent	85.346.856	-	-	-	-	85.346.856	85.346.856	6
Trade receivables	-	60.971.889	-	-	-	60.971.889	60.971.889	10
Financial investments	-	-	249.216	10.934.266	-	11.183.482	11.183.482	7
Financial liabilities								
Financial liabilities	-	-	-	-	17	17	17	8
Trade payables	-	-	-	-	97.938.528	97.938.528	97.938.528	10
Other financial liabilities	-	-	-	-	2.618.311	2.618.311	2.618.311	35

GEDİK YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011 AND 2010
(Amounts expressed in TL unless otherwise indicated)

40. SUBSEQUENT EVENTS

As of 01.01.2012 severance pay ceiling was increased from 2.731,85/year to 2.805,04/year.

41. MATTERS THAT MAY HAVE A MATERIAL EFFECT ON, OR PREVENT THE CLEAR UNDERSTANDING OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Company defines and manages its capital in accordance with the Serial: V, No: 34 numbered CMB Communiqué. The Company led their obligations about the capital requirement as of 31.12.2011 and 31.12.2010.