

**Y&Y REIT**  
**PRESS STATEMENT CONCERNING**  
**THE CAPITAL DECREASE PROCESS**

Our company has decided to decrease its capital and has announced this decision on October 21, 2009. With new projects to be included in our real estate portfolio and achieving growth targets quickly, our company's aim is to benefit all of our shareholders from the profits we are planning to realize. In order to overcome technical barriers in prospective capital increases planned in the future and to expedite the procedure, a capital decrease process is planned in line with the new regulations of Capital Markets Board of Turkey.

As per decision of our board of directors dated October 21, 2009; within our capital ceiling of 400,000,000.00-TRY, the outstanding balance of 19,431,827.89 TRY, which is composed of "previous years' losses" and "net loss for the period" accounts in the audited and general assembly approved balance sheet as of December 31, 2008 will be closed by decreasing our issued capital from 33,162,529.95-TRY to 13,730,702.06-TRY. This decision has been announced to the public as of decision date.

As per the decision, with the expert report numbered 2009/771 that has been provided by the Kadiköy 3rd Commercial Court of First Instance, capital decrease application has been filed to Capital Markets Board of Turkey on November 25, 2009. In the weekly bulletin of CMB dated 08.02.2010-12.02.2010 and numbered 2010/6, Y&Y REIT's capital decrease application has been approved and it was decided that the capital decrease amount of 19,431,827.89-TRY shall be excluded from the records of CMB.

As a result of around %58.60 capital decrease process, the number of shares in our shareholders' accounts will decrease, whereas the share values will increase.

Our company has started the capital decrease process by the decision of the board of directors, and then filed the CMB application after providing requested documents. After the CMB's approval, an Extra-Ordinary General Assembly will be held and the decision will be finalized. Developments about the process will be provided for our shareholders.

Isik Gökkaya  
Y&Y GYO A.Ş.  
General Manager & Board Member