BİM BELIEVES THAT SERVING THE INTERESTS OF ITS CUSTOMERS IS MORE IMPORTANT THAN ACHIEVING HIGH PROFIT IN THE SHORT-TERM.*

BİM
TOPTAN FİYATINA
PERAKENDE SATIŞ

ANNUAL REPORT 2010

* BİM's Service Philosophy, Article 1.

CONTENTS

ABOUT BİM

As the first and leading representative of the hard-discount model in Turkey, since its inception BİM has committed itself to offering high quality products to its customers at the best possible prices, with no concessions on its quality service policy.

In 2010, BİM maintained its growth trend based on productivity by increasing the number of its stores and revenue. By opening three new regional offices and 323 new stores in 2010, BİM positioned itself among the fastest-growing companies in the retail sector with a total of 2,951 stores in 30 different regions. This growth reflects a 24% increase in the sales of BİM, Turkey's most extensive retail network. Increase in sales positively affected the Company's profitability and produced a 15% increase in 2010.

The compound annual growth rate (CAGR) of BİM between 2005 and 2010 is approximately 31%, well above both Turkey's GNP and the retail sector's overall growth rate. This rate proves that BİM continues to maintain a steady high-growth. The success manifests itself in the market value of the Company, which has increased almost tenfold within five years after the Company went public.

In accordance with the Global Powers of Retailing 2011 report prepared by Deloitte Touche based on the data of 2009, BİM ranked 220th among the largest 250 retail companies of the world. Furthermore, it ranked 8th among the fastest growing retail companies between 2004-2009.

BİM, a large family with employees, suppliers and shareholders, always considers customer satisfaction as its top priority. All members of this large family have contributed to its success.


PENETRATION
12%


Binvezir
2010 > **2,951 stores**
2009 > **2,628 stores**
2008 > **2,285 stores**


NET SALES
24%


2010 > TL 6,574 million
2009 > TL 5,323 million
2008 > TL 4,242 million


NET PROFIT
15%


2010 > TL 245.6 million
2009 > TL 212.9 million
2008 > TL 114.2 million

MAIN HIGHLIGHTS

CONSOLIDATED FINANCIAL HIGHLIGHTS

24%+
NET SALES (TL MILLION)

2010	6,574
2009	5,323
2008	4,242

26%+
PRIVATE LABEL PRODUCTS (TL MILLION)

2010	3,911
2009	3,103
2008	2,357

15%+
NET PROFIT (TL MILLION)

2010	245.6
2009	212.9
2008	114.2

13%+
EBIT (TL MILLION)

2010	291.5
2009	258.7
2008	145.9

NET PROFIT MARGIN (%)

2010	3.7
2009	4.0
2008	2.7

EBIT MARGIN (%)

2010	4.4
2009	4.9
2008	3.4

BİM maintained its policy of steadily increasing the number of stores and its revenue in 2010, which manifested itself as a 24% increase in sales.

Financial reports are prepared pursuant to the CMB's Communiqué Series: VII No: 29 and in accordance with IAS/IFRS. The Company's subsidiary in Morocco has been consolidated with the full consolidation method and is reflected in financial statements.

Number of stores is as of year's end.
Operational highlights include operations in Turkey only. The subsidiary established in Morocco had 44 stores (2009-25 stores) and 292 employees (2009-188 employees) as of the end of 2010.

OPERATIONAL HIGHLIGHTS

13%+

EBITDA (TL MILLION)

2010	356.4
2009	314.2
2008	189.2

12%+

NUMBER OF STORES

2010	2,951
2009	2,628
2008	2,285

EBITDA MARGIN (%)

2010	5.4
2009	5.9
2008	4.5

12%+

AVERAGE NUMBER OF EMPLOYEES

2010	16,216
2009	14,541
2008	12,769

25%+

TOTAL ASSETS (TL MILLION)

2010	1,372.1
2009	1,099.7
2008	839.0

18%+

AVERAGE NUMBER OF DAILY CUSTOMERS

2010	1,937,044
2009	1,639,349
2008	1,305,015

CORPORATE PROFILE

BİM (Birleşik Mağazalar A.Ş.) began its operations in 1995 with 21 stores with the aim of supplying the highest quality basic food and consumption items to consumers at the best possible price. As the first hard-discount model in Turkey, BİM's product portfolio consists of nearly 600 products and aims at offering a large number of private label products.

BİM maintained its policy of steadily increasing the number of its stores along with its revenue throughout 2010 and recorded a 24% growth in sales, a clear indicator of its success. By opening three new regional offices, together with 323 new stores in 2010, BİM became one of the fastest growing companies in the retail sector. with a total of 2,951 stores in 30 different regions. The increase in the number of stores and revenue positively affected the profitability with a boost of 15% in 2010.

BİM introduced the concept of private label products in Turkey. Most of the high-quality private label products that BİM offers to its customers are market leaders in their own categories. The evidence of this qualitiy lies in the fact that BİM increased sales of its private label product share from 46% in 2005, when it went public, to 60% in 2010.

Aiming to continue this stable growth trend in 2011 with new store openings, BİM plans to guide its development through cost-effective management without sacrificing its concept of quality and continuing to keep customer satisfaction a high priority.

BİM will continue its operations through its trust-based relationships with all its stakeholders, particularly with its suppliers and employees who provide excellent service quality in all BİM stores.

SERVICE PHILILOSOPHY

BİM
believes that serving the interests of its customers is more important than achieving high profit in the short term.

BİM
displays products in their original cardboard boxes to avoid unnecessary store expenses.

BİM
offers top quality products at the best possible prices.

BİM
leases stores at optimum rates in locations best suited for customer convenience.

BİM
has a no-questions-asked return policy.

BİM
avoids excessive advertising that could affect the price of products.

BİM
offers high-quality products specially manufactured for customers.

BİM
stores are decorated as plainly as possible.

BİM
customers pay for the product itself, not the packaging or the brand.

BİM
employs a sufficient number of personnel to provide uninterrupted service.

MILESTONES

2010 can be defined as a year of growth for BİM; the actual growth rate of 24% is a clear-cut indication of this fact. These high growth rates have been steadily achieved since the year BİM went public.

1995
BİM commences its operations with 21 stores.

1997
The first private label product of Turkey, Dost Süt, makes its debut. BİM opens its 100th store.

2001
BİM opens 87 additional stores in spite of the economic crisis.

2002
BİM begins accepting credit cards at its stores.

2003
Net sales exceed TL 1 billion.

2004
The 1,000th BİM store is opened.

2005
BİM offers 44.12% of its shares to the public.

2008
BİM increases the number of stores to 2,285, with 551 new store openings, and achieves a 42% increase in turnover.

2009
BİM starts its first overseas operation, opening stores in Morocco.

2010
BİM increases its paid-in capital by TL 75,900,000 to TL 151,800,000, which is fully covered by internal sources.

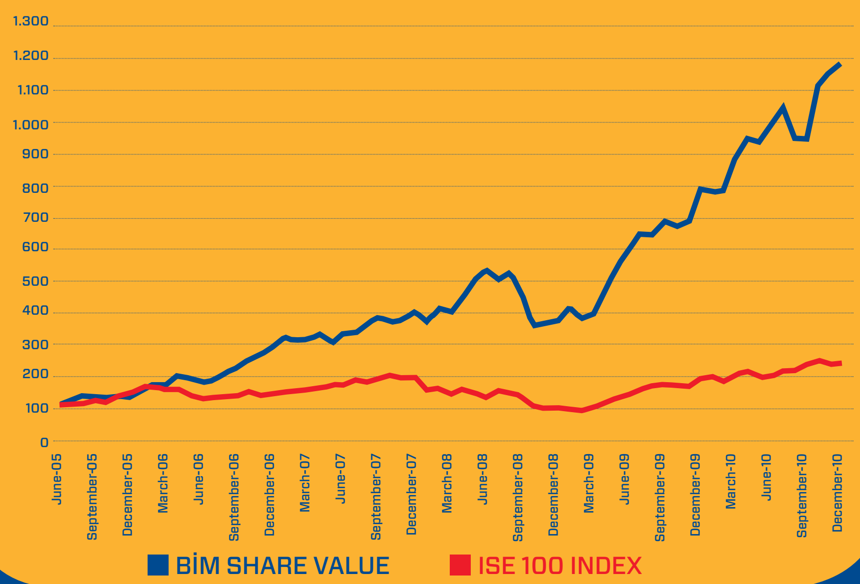
INVESTOR RELATIONS

BİM is among those rare companies that can distribute high dividends and maintain a strong growth trend.

BİM set up an Investor Relations Unit under the Chief Financial Officer in 2005. The unit continues to operate in accordance with the legislation of the Capital Market Board with the aim of providing full information to all shareholders and stakeholders simultaneously.

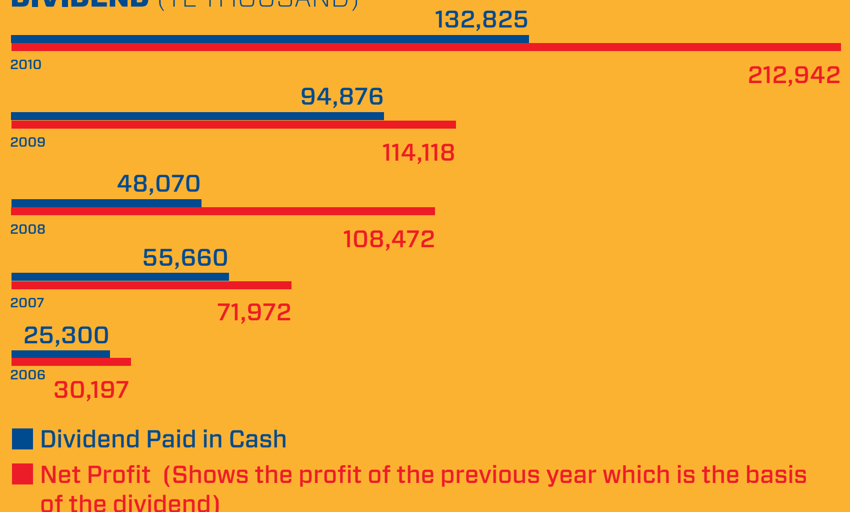
This unit announced a total of 15 material event disclosures throughout 2010 and provided information to investors and stakeholders with five investor conferences and approximately 111 organized meetings.

BİM SHARE PRICE PERFORMANCE - ISE 100 COMPARISON



BİM, ever since going public in July 2005, has continued to provide added value to its investors. In the last five and a half years, the Company delivered 1084% return to its investors. On the Istanbul Stock Exchange (ISE) 100 and ISE 30 indexes, this figure has reached 122% and 114% respectively. Thus, the Company's share value has increased approximately tenfold since the day it went public.

DIVIDEND (TL THOUSAND)



BİM is among those rare companies that can distribute high dividends and maintain a strong growth trend. In this respect, TL 132.8 million out of the profit of 2009 was distributed as dividends in cash in 2010. Furthermore, in 2010, the Company's capital was increased by TL 75,900,000 to TL 151,800,000, which was fully covered by internal sources.

BOARD OF DIRECTORS' REPORT

Throughout 2010, the global economy and markets attempted to recover from the negative effects of the global economic crisis, which deepened in 2008. The organized food retail sector recorded a growth rate of 2% in the year of 2010.

By the end of 2009, BİM had 2,628 stores and 27 regional offices. In 2010, the Company opened 323 new stores and three regional offices and thus increased its stores to 2,951 and regional offices to 30. Together with the new warehouses to be opened in Diyarbakır, Muğla, Bursa, Van and Mersin in 2011, the aim is to increase the number of regional offices to 35.

Maintaining consistent growth since the date it went public, BİM concluded 2010 with a growth rate of a 24%. The compound annual growth rate (CAGR) of BİM between 2005 and 2010 is approximately 31%, which is well above Turkey's GNP and the overall growth rate of the retail sector. This rate is proof that BİM continues to maintain steady high-growth.

Our operations in Morocco show a considerable development in tandem with our operations in Turkey. In 2010, 19 new stores were opened in Morocco and the total number of stores in this country reached 44. Our target for 2011 is to reach a total of 85 stores. BİM's overseas operations will not be limited to Morocco. New developments are expected in the coming years in our Company's attempts to become a global company by entering new markets. As a first step, on January 19, 2011, a preliminary memorandum of understanding was signed with Savola Group Company, resident in Saudi Arabia, for a company to be established to operate in hard-discount business model in this country.

We finished 2010 pleased with our accomplishments and confident that 2011 will bring continued success. We would like to thank our employees, our customers and suppliers, and all stakeholders in this journey of success. We would like to emphasize again that we strongly believe that our dynamic rate of growth will continue in the period ahead.

Sincerely,
Board of Directors

MESSAGE FROM THE EXECUTIVE COMMITTEE

Dear Esteemed Stakeholders,

The Turkish economy, which displayed a negative performance in 2009 due to the effects of the global economic crisis and shrunk by 4.7% for the first time in the last eight years, considerably compensated its losses in 2010 and recorded a performance which was well above the predictions. The Gross Domestic Product (GDP) rate, which gathered speed and caught a double digit growth tempo during the first half of the year, reached level of 8.9% in real terms in the first nine months of 2010. Strong domestic demand was the main factor determining this performance, which surpassed predictions about 100% at the beginning of the year. Household consumption expenditures, which increased by approximately 15%, were supported by growth exceeding 27% in private sector investments. Nevertheless, the failure of foreign demand to meet the desired contribution to this picture revealed some risks in terms of economic balances.

While the share of the organized food retail sector, in which BİM operates, is approximately 47%, this share exceeds 90% in some European countries. BİM's performance within 2010 was above the average in the sector and the Company strengthened its position in the market with a net sales growth rate of 24% and a 12% increase in number of employees.

By opening three new regional offices, together with 323 new stores in 2010, BİM has positioned itself among the fastest-growing companies in the retail sector with a total of 2,951 stores in 30 different regions. By the end of 2010, the Company reached approximately 350,000m^2 warehouse and 800,000m^2 sales area. Increase in sales positively affected the Company's profitability and manifested itself in an increase of 15% in 2010. The share of private label sales, which constitute the focal point of the hard-discount segment pioneered by BİM, continues to increase within the total sales. The share of private label product sales in total sales, which was 58.4% in 2009, increased to 60% in 2010, despite a slowdown in the rate of increase. This steadily increasing rate ever since BİM went public is an indication of the fact that the private label product concept and products of BİM are approved by Turkish people.

As Turkey's most extensive retail company, with a presence in 76 cities out of 81 in Turkey, BİM aims to continue this growth by operating in all Turkish cities and abroad. Having taken the goal of reflecting gains and productivity obtained from the hard-discount business model to its customers at the best prices, the Company plans to continue its activities, as it has done so far, with minimum profit margins in the coming years in accordance with this goal.

BİM's success also manifests itself in the added value BİM provides to its investors. The share value of BİM has increased approximately tenfold within the five years since it went public. When the dividends are added to this calculation, the gains are even bigger. BİM is among those rare companies that can to distribute high dividends and maintain a strong growth trend. In this respect, TL 132.8 million out of the 2009 profit was distributed as dividends in cash in 2010. Furthermore, in 2010, Company's capital was increased by TL 75,900,000 to TL 151,800,000, which was fully covered by internal sources.

In 2011, we plan to open more than 350 stores in Turkey and 40 in Morocco and to establish five new regional offices in Turkey. Our efforts to invest in the Saudi Arabian market are ongoing. We explore the possibilities and conduct negotiations. The amount of consolidated investment that BİM plans to realize in the coming year is approximately TL 200 million. These investments will be made without using bank loans, but completely from our own equity and will be the highest investment ever made in the history of BİM.

We would like to thank our employees, who share this journey of success with us, and our customers, stakeholders and suppliers, who have never stopped trusting us.

Mustafa Latif Topbaş
Chairman

Galip Aykaç
Member

Haluk Dortluoğlu
Member

BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE

Board of Directors

Mustafa Latif Topbaş

Mustafa Latif Topbaş was born in 1944 in Istanbul and began his career in 1961 as a partner and executive at Bahariye Mensucat, a family-run business in the textile sector. In subsequent years, he was an executive in various industrial and commercial companies. In 1994, Mr. Topbaş became a founding partner of BİM and was appointed Vice Chairman of the Board. He has served as Chairman of the Board since 2005 and Chairman of the Executive Committee since January 2010.

Ekrem Pakdemirli

Ekrem Pakdemirli was born in 1939 in İzmir and graduated from Middle East Technical University. Mr. Pakdemirli completed his PhD at Imperial College, London. He was appointed Deputy Undersecretary in the State Planning Organization, served as Undersecretary in the Treasury and Foreign Trade and as Minister in the Ministry of Transport and Communication. He subsequently became Minister of Finance and Customs, then Deputy Prime Minister. Occasionally, he has served as acting Prime Minister. Mr. Pakdemirli has served as an Executive Board member at Akbank. Currently he is a Vice President at the Vestel Group and an Executive Board member at Sinpaş Construction Company. Since June 2005, he has served on the BİM Executive Board; since April 2008, he has been Vice Chairman of the Board.

Mahmud Merali

Mahmud Merali was born in Mombasa, Kenya, in 1952. Following completion of his higher education in Kenya, he began his career in England as an audit expert for publicly traded companies where he gained extensive experience in auditing, accounting, taxation and international taxation subjects. Mr. Merali has over 30 years of experience in auditing publicly traded companies, taxation and more specifically, international taxation. He has a financial advisor certificate (ICAEW-UK, CPA-Kenya and ZICA-Zambia membership) and serves as a consulant to a multi-national company in Kenya, one of the largest investment companies in Dubai and one of the largest poultry producers in Saudi Arabia. He has been a BİM Board member and has chaired the Audit Committee since January 2005.

Jos Simons

Jos Simons was born in Raalte, the Netherlands in 1945. He graduated from the Top Management Program at the University of Nijenrode HDS and has a proven track record of over 35 years in the retail market. He served as General Manager for more than ten years in Aldi, Holland, and has managed his own consultancy firm for the retail market. Simons was General Manager for five years at Vendex Food Group, at the time one of the largest food retailers in the Netherlands. Starting in 2001, he was Chief Operating Officer (COO) at BİM; and in January 2006, he was appointed CEO. In April 2008, he served as a BİM Board member. He ended his position as CEO as of January 1, 2010 and he continues to be Board member and consultant.

Ömer Hulusi Topbaş

Ömer Hulusi Topbaş was born in Istanbul in 1967 and began his career as a sales executive at Bahariye Mensucat A.Ş. from 1985 to 1997. From 1997 until 2000, he was employed at Naspak Ltd. Company. He served as Purchasing Manager in Seranit A.Ş. from 2000 until 2002, when he became General Manager at Bahariye Mensucat. Since June 2005, he has served as a BİM Board member.

Yalçın Öner

Yalçın Öner was born in Araç, in the province of Kastamonu, in 1938. Following his graduation from the Faculty of Political Science, he became an Assistant Tax Inspector at the Ministry of Finance. Between 1959 and 1970, he served as Tax Inspector and as Director of Loans at Devlet Yatırım Bankası from 1971 to 1978. Then, from 1978 to 2004, he served as the Assistant General Manager of Yatırım Finansman A.Ş. He got his Master's degree in the field of Public Policy at the University of Minnesota during 1969-1971. He retired from Al Baraka Türk Ö.F.K. after serving as the founding General Manager and a member of Board of Directors from 1985 until 1995. He continues to serve as a Board member of Al Baraka Türk Katılım Bank. Since April 2007, he has served as a BİM Board member.

Dr. Zeki Ziya Sözen

Zeki Ziya Sözen was born in Harmancık in 1956 and graduated with High Honors from Middle East Technical University, Department of Chemical Engineering. He later completed his post graduate degree at the same department. He earned his PhD from the University of British Columbia, Department of Chemical Engineering, in Canada. He won top honors in the Chemical Engineering Exams organized by TUBİTAK in 1979 and 1980. Sözen began his career in Nyköping Energiteknik AB in Sweden as Research Manager and served as Vice President at Yaşar Holding A.Ş., Assistant General Manager at Pınar Süt Mamulleri San. A.Ş and General Manager at Mis Süt San. A.Ş. This was followed by serving as General Manager at Ak Gıda A.Ş. Sözen also served as R & D and Business Development Group Director at Yıldız Holding A.Ş. between 2003 and 2009. Currently, he is the Director of the Food, Frozen Products and Personal Care Group. Sözen was chosen as one of the 35 most successful executives in the history of Turkey by Capital magazine in a special issue dedicated to 80th year of the Turkish Republic. Since April 2006, he has been a BİM Board member.

Executive Committee

Mustafa Latif Topbaş

Mustafa Latif Topbaş was born in 1944 in Istanbul and began his career in 1961 as a partner and executive at Bahariye Mensucat, a family-run business in the textile sector. In subsequent years, he was an executive in various industrial and commercial companies. In 1994, Mr. Topbaş became a founding partner of BİM and was appointed Vice Chairman of the Board. He has served as Chairman of the Board since 2005 and Chairman of the Executive Committee since January 2010.

Galip Aykaç

Galip Aykaç was born in Akdağmadeni, Yozgat, in 1957. He served at several executive positions at Gima, the first organized food retail chain in Turkey, for over 18 years. In 1997, Aykaç started his work career at BİM as Purchasing General Manager. In March 2000, he was appointed as an Operation Committee member; as of November 2007 he became the COO and still serves in that capacity. As of January 2010, Aykaç has been a member of the Executive Committee. Aykaç received the Most Successful Executive Award, a “Sun of the Retail Award”, the retail sector’s most prestigious award. He is also a member of the Turkish Retail Committee, established by Union of Chambers and Commodity Exchanges. Aykaç serves as a Board member of the Trade Council of Shopping Centers and Retailers. Additionally, he is a member of the TOBB-GS1 Turkey Committee, a part of the GS1 International Standards Center operating within the Union of Chambers and Commodity Exchanges.

Haluk Dortluoğlu

Haluk Dortluoglu was born in Aksehir in 1972. He graduated from Boğaziçi University’s Department of Management in 1995. Afterwards, he worked at independent international audit companies, Arthur Andersen and Ernst & Young for eight years. He served as Turkish Airlines Accounting Director from 2003 until 2005. Starting in November 2005, Dortluoğlu served as Finance Director (CFO) at BİM and an Operation Committee member between 2006 and 2009. In 2007, he completed the advanced management program at Harvard Business School. According to research results conducted by Thomson Reuters Extel, Dortluoğlu was cited as one of the best three CFO’s in Turkey in 2009. The same year, he was awarded the “CFO of the year” by the economy magazine, Finance in Emerging Europe. Currently, he continues to serve as CFO and as of January 2010 is a member of the Executive Committee.

RETAIL SECTOR IN TURKEY

It is expected that the growth in investments made in the Turkish organized retail sector will continue to increase in the coming years.

During 2010, which can be defined as a year of recovery after the global economic crisis, countries displayed varying performances. The Turkish economy, despite uncertainty with weak foreign demand finished the first nine months of 2010, by the virtue of relatively strong domestic demand, with a growth of 8.9%, well above predictions. The Consumer Confidence Index, which showed an increase of 10% compared to 2009, and increased basket volume, indicate that 2010 was indeed a positive year for the retail sector.

The Government's 4.5% growth target, announced in the Medium-Term Programme for 2011 and analysts' positive expectations for the Turkish economy attract the attention of both domestic and foreign investors. According to the report published in Business Monitor International in November, 2010, Turkey has become a country with high-growth potential in the consumer market for the next decade with both the suitable conditions it offers to investors and its increasing population. It is noted that Companies attempt to solve the stagnation problems due to near-saturation of the retail sector in Europe by expanding global operations and developing new retail formats. In light of these developments, it is expected that the investments made in the Turkish organized retail sector and its growth will increasingly continue in the forthcoming years.

The hard-discount markets concept pioneered by BİM has had serious investments and a considerable increase in employment throughout 2010. For this reason, most of the actors in the market are currently focused on the discount market segment. Private label products, the focal point of this segment under the leadership of BİM, were among the subjects on which the retailers, acting all around the world as well as in Turkey, concentrated during the course of 2010.

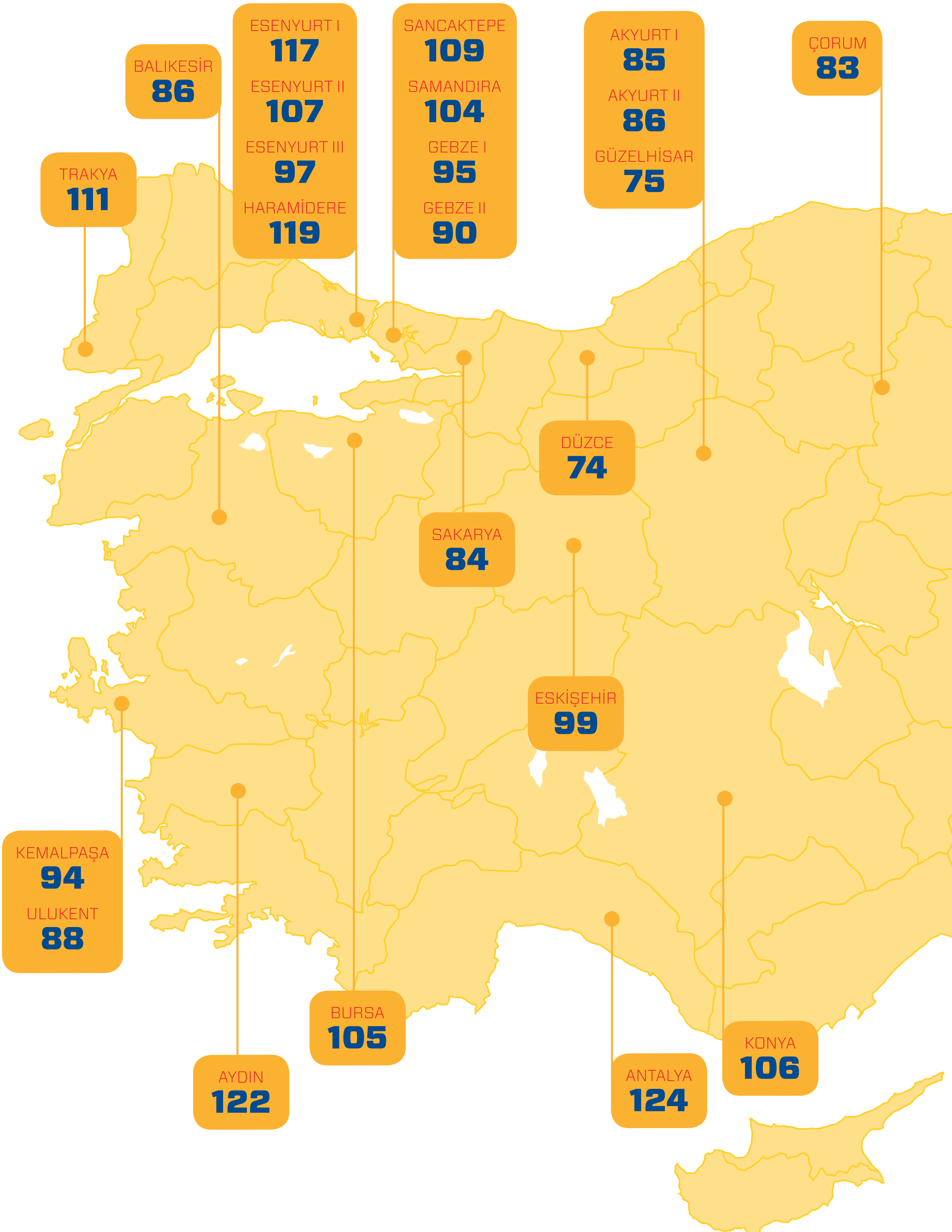
In accordance with the data provided by Turkish Council of Shopping Centers and Retailers (AMPD), the organized food retail sector growed 2% in 2010. The organized food retail sector, which showed a growth of 14% in 2010, based on the Trade Council of Shopping Centers and Retailers square meter index, continued its positive contributions to the economy with each passing day. The contribution of the sector to employment maintained its positive trend throughout 2010 and showed an increase of 10% on an annual basis. In accordance with this data, BİM finished 2010 with a growth rate of 24% and a 12% increase in employment, both of which are well above the sector average.

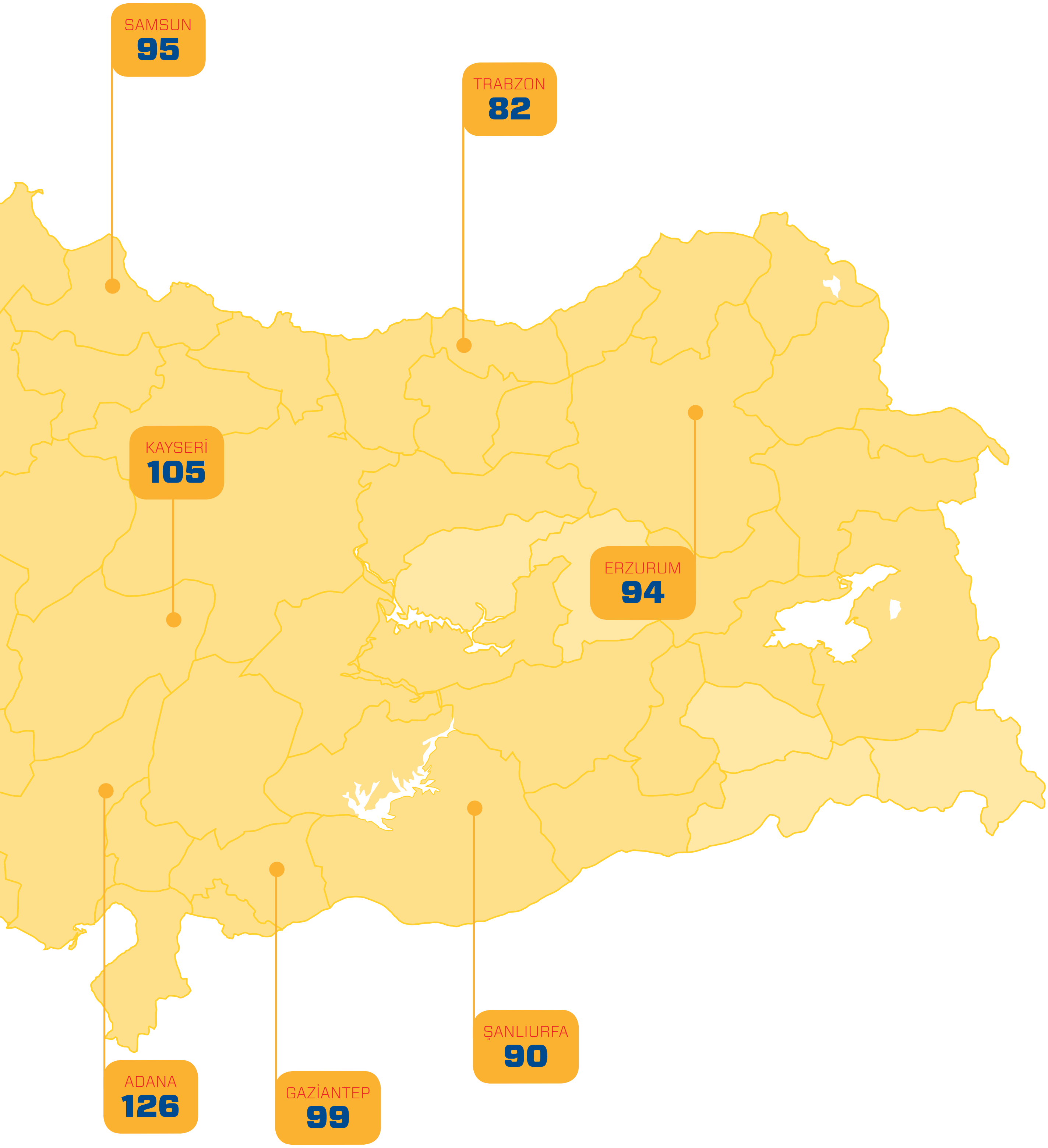
In accordance with the "Opening to New Markets: Global Powers of Retail 2011" report prepared by Deloitte Touche based on the data of 2009, BİM succeeded to become the 8th fastest growing retail company in the global arena. Further, the Company ranked 220th among the biggest retail companies of the world, thus moving 21 places up in the list.

According to the ranking based on the Q ratio obtained by calculating the proportion of the market value of the Company to its tangible assets (fixed asset investments), BİM ranks second in the world.


TUVALET KAĞIDI
BEYAZ PEÇETE

DIFFERENCES GENERATED BY BİM IN THE RETAIL SECTOR




SAMSUN
95
TRABZON
82
KAYSERİ
105
ERZURUM
94
ADANA
126
GAZİANTEP
99
ŞANLIURFA
90

DECENTRALIZED ORGANIZATION

Thanks to its decentralized organizational structure, BİM has established a dynamic information network between the regional offices and the stores.

BİM has the largest share of Turkey's steadily growing organized retail sector. BİM's successfully implemented business model is the most important factor for this rapid growth. For years, BİM has maintained its position as the company achieving the highest rate of growth among other companies in the sector.

BİM has a decentralized organizational structure and is organized through regional offices managed by general managers, with their own staff and warehouses. The most fundamental characteristic of this organization is that management is straightforward and decentralized. The number of regional offices increased from 27 to 30 in 2010.

In 2011, the number of regional offices will increase to 35. The Company is planning to open new regional offices in Diyarbakır, Van, Muğla and Mersin and there is a plan to open the second regional office in Bursa.

BIM'S HARD-DISCOUNT CONCEPT

BİM is the vanguard of the hard-discount model in Turkey with its organizational structure, effective cost management and limited product portfolio.

BİM A.Ş. is based on the principle of keeping operational costs at the lowest possible level, with the objective to pass on gains to customers in the form of price reductions. BİM, the vanguard of the hard-discount model in Turkey, with its organizational structure, cost-effective management and limited product portfolio, bases its hard-discount concept on three main components:

• Accelerating decision making and implementation processing by building a dynamic logistics and information network between regional offices and stores based on a decentralized organizational structure,

•Avoiding any excessive expenses that could result in an increase in product prices; minimizing management, store decoration, personnel, distribution, marketing and promotion costs,

•Having around 600 products in its product portfolio in order to maintain quality standards controls in the most effective manner and to ensure that products are offered to the customer at the best possible price.

Owing to its high purchasing power, BİM is the major purchaser of most of the products it sells. In this way, it encourages its suppliers to keep quality production at lower costs and is, therefore, able to procure quality products at affordable prices.

EFFECTIVE COST MANAGEMENT

BİM exercises an effective cost-management policy in all of its activities.

With the effective cost-management policy it implements in all operations, BİM further strengthens its already powerful position in the organized retail sector with each passing day.

Today, as the owner of the most extensive store network in its sector, BİM acts in line with the following principles for cost management operations:

1. Stores are in general rented rather than owned.
2. Offering service from by-streets in the same area.
3. Employing a workforce sufficient to maintain uninterrupted service in its stores; and dividing the workload among part-time employees through efficient human resources planning.
4. Keeping store decoration as simple as possible. Using minimal shelving and keeping costs to a minimum, resulting in low product prices.
5. Keeping promotion and advertising expenditures at an adequate level.
6. Managing distribution of its products through its own logistics channel.
7. Limiting the product portfolio and making large quantity purchases from suppliers at lower prices.
8. Including as many private label products as possible in its product portfolio.
9. Keeping cost calculation on a daily basis, implementing effective cost inspection and having the ability to take immediate action when required.
10. Finding, developing and implementing new saving methods.

HIGH INVENTORY TURNOVER RATE

Due to the effective inventory management exercised in BİM, inventory shortage is well below the sector average.

BİM conducts its inventory management through an advanced software widely used on a global scale. The inventory managed by regional offices is effectively monitored during its transfer from warehouses to stores, and from stores to customers. Automatic inventory control records are maintained with specially designed software. Regular monitoring is performed at predetermined intervals, comparing inventories from stores and warehouses with the data from the records. Due to the effective inventory management exercised in BİM, inventory shortage is well below the sector average.

SOURCES OF FINANCE

BİM effectuated approximately TL 133 million of cash dividend distribution and TL 142 million in investments on a consolidated basis in 2010.

By conducting its activities with a negative net working capital, BİM is able secure the majority of its own financing, thanks to its cash collection capability. In addition to operational cash outflow, approximately TL 133 million of cash dividend distribution and TL 142 million in investments on a consolidated basis were effectuated in 2010. The first overseas venture, which began in Morocco in 2009, is being financed completely by the Company's own financial resources, without taking loans.

PRODUCT RANGE

The key criteria for the composition of the product portfolio of BİM are high quality and low price.

BİM has adopted a detailed and precise working method for product selection and pricing. Products to be sold in stores are meticulously selected to meet the daily basic needs of a household.

The key criteria for the composition of the product portfolio are high quality and low price.

Products offered by BİM to its customers are divided into four main categories:

Private Label Products:
BİM is the pioneer of private label products in Turkey. The high-quality private label products offered in BİM stores are produced solely by suppliers chosen by BİM. BİM exclusively owns the brand names and formulas for these products. The most significant aspect of these products is that they are sold at prices that are 15-45% lower than similar products of the same quality. Sales ratio of private label products sold in BİM stores to total sales increased up to 60% in 2010. The Company recognizes the importance of private label products and plans to consistently continue to increase the sales rate.

As the pioneer of private labels in the organized retail sector with Dost Süt, BİM attributes great importance on its activities in this field.

Over time, regular BİM customers have exhibited a tendency to purchase private-label products. BİM aims to encourage this trend in the coming years by further focusing on private label products in its limited products portfolio.

Spot Products: These products are offered to consumers during short periods (weekly) and are stocked for a short-term. They have a long shelf life. Spot products increase the number of customers visiting stores and help boost the sales of standard listed products as well.

Exclusive Products: Branded products offered in package sizes and contents specially designed for BİM.

Branded Products: These are branded products that are widely recognized in the market.

FOOD SAFETY

BİM guarantees at a minimum compliance to official standards in applicable law for the safety of the products it sells and assumes full responsibility in this regard.

As a supplier of safe products that fully and continuously meet customers' requirements in an affordable and timely manner, BİM has adopted the practice of making continuous improvements in food safety as a company policy.

A PICTURE OF STEADY GROWTH

The successful business model implemented by BİM, which increased its sales volume by 120% within the last three years, and BİM's high growth potential within the Turkish organized retail sector play an important role in this picture of steady growth.


BİM
TOPTAN FİYATINA
PERAKENDE SATIŞ
BİM
TOPTAN FİYATINA
PERAKENDE SATIŞ

ACTIVITIES FOR THE YEAR 2010

For BİM, 2010 was a year during which financial and operational accomplishments were achieved, and the Company further strenghtened its position in the sector. Together with 323 new stores in Turkey and 19 new stores in Morocco, BİM increased its total number of stores to 2,951 in Turkey and to 44 in Morocco and the consolidated net sales rose by 24%. Therefore BİM maintained its position as the Company with the most extensive store network in the retail sector throughout 2010. Apart from the effective cost management, the steady increase in the number of stores and the regional offices all around Turkey have also influenced this success.

The successful business model implemented by BİM, which increased its sales volume by 120% within the last three years, and its high growth potential within the Turkish organized retail sector play an important role in this picture of steady growth. Fluctuations in foreign exchange do not affect BİM's operations because BİM carries out its transactions only in Turkish lira. Inventory losses and shrinkages are considerably below the sector average.

Average price increases for BİM products remained under the 2010 inflation rate for processed food products.

Having adopted providing added value to its customers as a company principle, BİM managed both to continue investments and distribute high amounts of cash dividends to its investors in 2010. The Company distributed a gross dividend of TL 132,825,000 in 2010, while undertaking TL 142 million investment on the consolidated basis in the same year.

Increasing the number of stores in 2010 from 2,628 to 2,951 for Turkey operations, BİM has become the leader of the retail sector of Turkey with a consolidated sales volume of TL 6,574 million.


BIM

HEALTHY GROWTH WITH INCREASED PROFITABILITY

By opening three new regional offices, together with 323 new stores in 2010, BİM has positioned itself among the companies achieving the fastest growth in the retail sector with a total of 2,951 stores in 30 different regions. Increase in sales positively affected profitability of the Company and manifested itself as a 15% increase in 2010.

INVESTMENT POLICY AND 2010 INVESTMENTS

Instead of buying stores, BİM prefers leasing and keeps their decoration as simple as possible. This helps BİM to keep store investment at relatively low levels.

BİM prefers growing organically rather than through acquisitions. Therefore, BİM achieves investments by opening new stores and regional offices. Instead of buying stores, BİM rents them and keeps their decoration as simple as possible. This helps BİM keep investments to stores at relatively low levels.

Acknowledging the strategic significance of regional offices, BİM establishes them by taking the conformity criteria into account, generally by buying the land and building a warehouse and a office. By the end of 2010, the Company had acquired ownership of 22 of its 30 regional offices.

Continuing investments without any interruptions ever since it went public, BİM realized an investment of TL 142 million on a consolidated basis. Those investments were financed completely by its own equity.

The Company plans to open about 350 new stores and 5 regional logistics offices in Turkey and it intends to realize an investment of approximately TL 200 million. These investments will be financed from the equity capital of BİM without taking any external loans.

OVERSEAS OPERATIONS AND PRINCIPLES OF CONSOLIDATION

Operations in Morocco are fully financed by the equity of BİM Turkey without taking any external loans.

The operations in Morocco, capital of which is 100% owned by BİM, are the first overseas venture of the Company. As of the end of 2010, BİM has 44 stores in Morocco.

Due to its proximity to Europe, Morocco has a more developed structure with regards to culture, economy, infrastructure and politics when compared to other African countries. It has a population of 32 million and a GNP per capita at US$ 3,000. The country is developing and achieved a growth rate of 4 % in 2010. According to IMF data, growth in 2011 is expected to reach 4.3%.

BİM's operations in Morocco started with the opening of the first store on April 11, 2009 in Casablanca. By the end of 2010, the first store in Rabat was opened and the total number of stores in Morocco increased to 44.

The venture established in Morocco was fully consolidated as of December 31, 2010 and reflected in the financial statements.

STORES AND STORE MANAGEMENT

BİM maintained its position as a profitable and expanding Company throughout 2010. With the new openings, the number of stores increased to 2,951 and the number of regional offices increased to 30.

Throughout 2010, BİM successfully implemented a growth model where productivity was emphasized. During the year, 323 stores and three regional offices were opened in Turkey, whereas, 19 stores were opened in Morocco. One of BİM's top priorities is to expand its activities all across Turkey. For this reason, newly opened stores are not concentrated in a single region, but evenly distributed throughout Turkey.

BİM maintained its position as a profitable and expanding company in 2010. Alongside new openings, the number of stores increased to 2,951 and regional offices to 30.

BİM places as much importance on expansion throughout Turkey as it does on enhancing the performance of current stores. In 2010, an 11% increase was achieved in sales performance at stores that have been operating for more than two years.

BİM stores avoid excess costs for decoration and product promotions and the savings from these measures are reflected in product prices. This policy is one of the most important elements of BİM's cost management strategy. In addition, BİM implements a no-questions-asked return policy in its stores to maintain customer satisfaction at the top level. According to this policy, a customer may, at any time, return a product purchased without citing any reason for their decision. The company pays special attention to the prices of products sold in stores, as well as their quality. The purchasing department ensures that each product undergoes quality and conformity tests prior to being put on sale. Product quality is also regularly checked at the selling stage.

BİM's decentralized organization allows for regional self-management and exclusive focus on the region concerned which, in turn, enhances productivity.

A GROWTH MODEL GIVING PRIORITY TO PRODUCTIVITY

Showing a consistent growth since the date it went public, BİM finished 2010 with a growth rate of 24%. The compound annual growth rate (CAGR) of BİM between 2005 and 2010 is approximately 31%, which is well above Turkey's GNP and the overall growth rate of the retail sector. This rate is a proof that BİM continues to maintain a steady high-growth momentum.


Saban
Saban

HUMAN RESOURCES

With a young and dynamic work force, BİM's senior management consists of qualified and competent individuals.

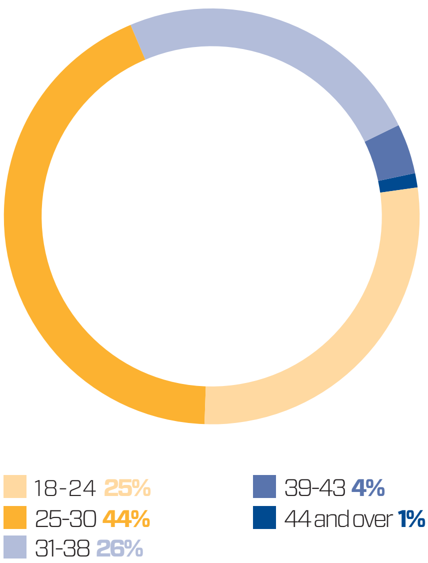
BİM offers its employees a working environment in which they can develop themselves both in professional and personal sense. Thanks to the Company's policy of rewarding outstanding performance, employees are encouraged to use their potential and skills. Effective human resources management has been implemented to optimize competence and skill at each level of the organization. With a young and dynamic work force, BİM's senior management consists of qualified and competent individuals. Appointment to strategic positions from within the internal resources of the Company is one of the priorities of the Company. Therefore, the majority of management staff is made up of employees who either started their careers at BİM or who have been with the Company since the beginning and have promoted due to their exemplary performance. BİM knows that its steady rise in the sector depends on the performance and motivation of its employees and, in turn, employees are aware that successful performance is the key to a successful career. Due to its decentralized organization, the Company provides a working environment for young managers where they can take the initiative and advance their expertise. In this sense, BİM is an important school where senior managers of the future are trained.

In 2010, the number of BİM's employees increased by 12%. Today, BİM employs approximately 16,508* employees working half- or full-time. Possessing the most extensive retail network in Turkey, employment opportunities provided by BİM do not impact just a single region, but the entire country. BİM has continued to create employment potential even during the global crisis. It will continue to contribute to the national economy by opening new stores and regional offices in 2011.

*As of 31.12.2010

Human Resources Profile (%)

Personnel Distribution (Age) (%)



CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

1. Statement of Compliance with Corporate Governance Principles

The Company has diligently adhered to the Corporate Governance Principles published by the Capital Markets Board. Efforts to eliminate any shortcomings depending on developing conditions in this regard are ongoing.

In this respect, during 2010, the Company website and the Investor Relations Unit were enhanced and with increased functionality.

PART I – STAKEHOLDERS

2. Investor Relations Unit

BİM set up an Investor Relations Unit under the Chief Financial Officer in 2005 to establish communications between Company management and shareholders and to provide them accurate, prompt and efficient information. The manager of this unit is responsible for meeting the requirements of capital market regulations and coordinating corporate governance practices and holds a Capital Market Activities Advanced Level License and Corporate Governance Rating Specialist License.

Personnel responsible for investor relations are as below.

Executive Committee Member and CFO
Haluk Dortluoğlu
Tel: +90 216 564 03 46

Reporting and Investor Relations Manager
Serkan Savaş
Tel: +90 216 564 03 46
E-mail: serkan.savas@bim.com.tr

The main activities of this unit are;

• Keeping shareholder records in an orderly and reliable fashion; ensuring rapid response to shareholder inquiries regarding the Company within the context of information disclosed to the public (with the exception of publicly undisclosed data and trade secrets) via various available communication channels,
• Ensuring that General Assembly Meetings are held in accordance with the communiqué and prepare the documents to be presented to shareholders during General Assembly meeting,
• Supervising the public announcement of the Company's activities,
• Executing preparatory work for financial results and annual reports,
• Managing communications with regulatory institutions, including the Istanbul Stock Exchange, Capital Markets Board and Central Registry Agency and following up of prescribed legal regulations.

During the reporting period, the unit participated in five investor conferences and further provided information to investors and shareholders in over 111 meetings held at the Company Headquarters.

3. Exercise of Shareholders' Right to Obtain Information

All shareholders' requests for information are met, with the exception of trade secrets and publicly undisclosed data. Those requests were mostly related to inquiries on the General Assembly, payment of dividends, financial data and overseas investments as well as the Company's future targets. All announcements of material disclosures and publicly disclosed information are available and easily accessible to shareholders on the Company's website (www.bim.com.tr) under the Investor Relations section. Moreover, requests for information from institutional shareholders and analysts of brokerage firms during the year were satisfied via various communication channels such as teleconferences and one-on-one meetings. At the end of each balance sheet period, teleconferences were held to inform, and respond to the inquiries of, shareholders. Four teleconferences in total were organized during the year.

The Company's Articles of Association do not stipulate granting shareholders the right to request the appointment of a special auditor and no such request was made during the year.

4. Information on the General Shareholders' Meetings

The Ordinary General Shareholders Meeting of BİM Birleşik Mağazalar Anonim Şirketi for the year of 2009 convened on Thursday, April 22, 2010 at 10:00 a.m. at the registered office of the Company at Abdurrahmangazi Mahallesi, Ebubekir Caddesi, No: 289, Samandıra, Istanbul, under the supervision of the Commissary of the Ministry, Hüseyin Çakmak, appointed in accordance with the communiqué dated April 21, 2010 no. 23480, issued by the Ministry of Industry and Trade, Istanbul Provincial Directorate of Industry and Trade.

In the meeting, 20,108,751 shares were represented in person and 16,950,949 shares were represented by proxy, for a total of 37,059,700 shares corresponding to the Company's total capital stock of TL 75,900,000.

During the General Assembly, upon the proposal of the Board of Directors, it was decided that Article 6 of the Company's Articles of Association entitled Capital and Equity Ratios for the purpose of increasing the paid-in capital of the company from TL 75,900,000 to TL 151,800,000, which would be fully covered from the Company's internal sources. Amendment texts of the Articles of Association are publicly announced in the Investor Relations section of the Company website, together with the minutes of the General Shareholders' Meeting.

The Minutes of the General Shareholders' Meeting were announced in the Turkish Trade Registry Gazette issue no. 7565, dated May 17, 2010.

Announcements for both general shareholders meetings were made by way of invitation letters and an announcement in the newspaper. Furthermore, prior to the meeting date, the meeting agenda was made public by an announcement of material disclosure and published on the Company's website. The minutes of the general shareholders meetings in Turkish, along with their English translations, were posted on the Company's website (www.bim.com.tr) under the Investor Relations section. The minutes have also been made available for shareholder review in the registered office of the Company. The questions asked directly by shareholders were answered in detail orally during the meeting. There was no media participation at these meetings.

5. Voting Rights and Minority Rights

All Company shares are bearer's shares. Shares do not entitle any holder to have voting privileges. Shareholders of the Company and their proxies are entitled to one vote for each share they hold at both ordinary and extraordinary General Meetings. Shareholders may appoint one proxy to vote on behalf of the shareholder at the General Meetings. Voting by proxy shall be subject to the regulations of the Capital Markets Board. The Articles of Association do not include any provisions on cumulative voting and minority shares are not represented by management.

6. Dividend Payment Policy and Timing

The Company dividend payment policy, as stipulated by the General Assembly, is to distribute a minimum of 30% of the distributable profit gained in respective years. This policy was made public in 2007 through a material disclosure announcement and no change whatsoever has been affected to this policy to date. Any possible policy changes will be made public through a material disclosure announcement.

Under the Company's Articles of Association, no privileges are granted on voting rights, nor do privileges exist concerning the distribution of profit. The timeline for distribution of profit is determined at the General Shareholder's Meeting upon the request of the Board of Directors and in accordance with the provisions of the Turkish Commercial Code and Capital Markets legislation. Distribution of 2009 profit was finalized in legal terms as TL 132,825,000 in cash and TL 62,590,298 as capital increase through bonus issues totaling TL 195,415,298.

7. Transfer of Shares

Shares are transferred in accordance with the provisions of the Turkish Commercial Code and other relevant legislation. In the Articles of Association there are no provisions on the limitation of share transfer.

PART II- PUBLIC DISCLOSURE AND TRANSPARENCY

8. Company Disclosure Policy

Public Disclosure Policy of the Company was put into force following the approval by the Board of Directors on April 9, 2009. It aims to give information to beneficiaries in line with regulations of the Capital Markets Board (CMB) and Istanbul Stock Exchange (ISE).

According to the policy adopted, all events that may cause a significant change in the Company's financial situation and/or operations, in line with legislation of CMB, as well as information regarding all other necessary subjects, are announced to the public immediately.

From time to time, BİM Management can arrange meetings with media members to share the information open to the public and to answer questions. A copy of the actual statements published in the print media and special circumstance announcements sent to the ISE are published on the Company's website (www.bim.com.tr). Information demands received from the press are gathered by the Company's media consultants, evaluated within the Company and replied to in accordance with the announcement policy.

Public announcement policy has been published on the Company web site (www.bim.com.tr). Names and contact information of employees responsible for the implementation of the disclosure policy are provided in Article 2 of the Report.

9. Special Circumstance Announcements

The Company made 15 special circumstance announcements in 2010. Within the scope of these announcements, no additional disclosure was adjured by CMB or ISE.

The announcements are also available on the website (www.bim.com.tr).

10. Company Website and Contents

The Company's website is www.bim.com.tr and was changed in 2010 in both content and design. Information concerning shareholders is provided under the Investor Relations section, together with the English translations, thereof posted under the following headings:

- Investor Relations
- Trade Registry Information
- Shareholders
- Corporate Governance
- Financial Reports
- Financial Calendar
- General Assembly Information
- Announcements of Material Disclosures
- Notices
- Investor Relations Contact

Shareholders	Number of Shares	Rate %
Mustafa Latif Topbaş	27,266,496	17.96
A. A. El Khereji	20,622,600	13.59
Ahmet Afif Topbaş	12,771,000	8.41
Zuhair Fayez	5,989,650	3.95
Firdevs Çizmeci	1,799,990	1.18
Ömer Hulusi Topbaş	180,000	0.12
İbrahim Halit Çizmeci	10	0.00
Other (Open to public)	83,170,254	54.79
Total	**151,800,000**	**100.00**

11. Disclosure of Real Person(s) as Ultimate Controlling Shareholders

The shareholding structure of the Company as described above has been publicly disclosed both on the Company's website and in the periodical financial reports. All shares are held by real persons, except those that are publicly traded.

On January 31, 2011, Mustafa Latif Topbaş, one of our stakeholders, transferred 800,000 shares directly to his brother, Ahmet Afif Topbaş without going through the İstanbul Stock Exchange. After the sale, shares of Mustafa Topbaş within the venture decreased to 17.43%; whereas the share held by Ahmet Afif Topbaş increased to 8.94%.

12. Public Disclosures of Those Who May Have Access to Insider Information

Members of the Board of Directors, auditors, senior management and other Company employees who may have access to insider information are listed below and have been publicly disclosed on the Company's website.

Board of Directors

Mustafa Latif Topbaş
Chairman

Ekrem Pakdemirli
Vice Chairman

Mahmut P. K. Merali
Member

Ömer Hulusi Topbaş
Member

Zeki Ziya Sözen
Member

Yalçın Öner
Member

Jos Simons
Member

Auditors

Prof. Dr. Selahattin Tuncer
Auditor

Prof. Dr. Arif Ateş Vuran
Auditor

Senior Management

Mustafa Latif Topbaş
Chairman of the Executive Committee

Galip Aykaç
Member of the Executive Committee and COO

Haluk Dortluoğlu
Member of the Executive Committee and CFO

Muharrem Arslantürk
Member of the Operation Committee

Ürfet Naçar
Member of the Operation Committee

Bülent Pehlivan
Member of the Operation Committee

İlkay Zengin
Member of the Operation Committee

Ünsal Çetinkaya
General Manager of Purchasing

Other Company employees who may have access to insider information:

Arif Tuna
Betül Ölçücü
Dilek Kırılmaz
Ekrem Cezayirli
Elif Küçükdeveci
Erhan Çetin
Hacer Şengör
Merve Pehlivan
Murat Şener
Özkan Ölmez
Semra Sadıkoğlu
Serkan Savaş
Sevim Üçüncüoğlu
Yakup Kocaman

Independent Auditors

Metin Canoğulları
Gökhan Güralp
Gökhan Güldaş
İhsan Akar
Can Sözer

PART III-STAKEHOLDERS

13. Informing Stakeholders

Pursuant to applicable legislation, stakeholders are informed of Company matters, with the exception of trade secrets, by appropriate means of communication.

The Company's corporate website makes available the mail address and phone numbers of all stakeholders. Those stakeholders wishing to gather information or make inquiries using these communications tools can also contact the relevant unit managers. Incoming queries and information requests are answered in a timely manner.

Company shareholders or investors wishing to become Company shareholders can communicate directly with the Investor Relations Unit and receive prompt responses.

14. Stakeholders' Participation in Management

Meetings are held with employees and other stakeholders to improve efficiency on relevant issues. Proposed ideas are evaluated by senior management. Furthermore, employees are encouraged to freely communicate to the relevant unit manager about their complaints, criticisms and suggestions related to working procedures.

15. Human Resources Policy

As specified in the BİM Organization Objectives, the Company's objectives can only be attained through the contributions of its employees. BİM Personnel Regulations provide guidelines for personnel rights and working terms and regulate the working arrangement in accordance with these objectives. Employee relationships are managed by the Personnel and Administrative Affairs units in the headquarters and in 30 regional warehouses.

The Company's human resources policy gives priority to providing a pleasant and comfortable working environment which offers employees the opportunity to take initiatives and develop their skills accordingly. Employees are encouraged to communicate their complaints and suggestions for improvement to relevant units, which then make their best efforts to promptly provide solutions.

Both internal and external resources are utilized to meet personnel training requirements.

16. Information on Customer and Supplier Relationships

The Company's business model is based on mutual trust, which requires paying maximum attention to both customer and supplier relationships. The Company offers its customers the right to return any product without time limitations, on the basis of its no-questions-asked return policy. For years, BİM has implemented its policy to return any savings gained from operational costs in the form of discounts on the prices of the products it offers for sale. These policies and their effective implementation allow maximization of our customers' trust in the Company.

Furthermore, every store has phones strategically placed so that customers can easily file complaints or requests. All customer complaints and requests are investigated by the personnel working in 30 regional offices and the Company headquarters and prompt responses are given.

As outlined by Company policy, performance of suppliers who are considered as business partners, are periodically reviewed and due care is taken to sustain strong, long-term relationships with them.

17. Social Responsibility

The Company is not involved in production activities. All nylon and cardboard waste is forwarded to licensed firms engaged in the recycling of packaging waste.

BİM works in coordination with the Kalite Sistem Laboratory, Observatory Laboratory, Eurolab and the TÜBİTAK Research Institute to inspect the quality of its product portfolio. TÜBİTAK conducts chemical and biological testing on products sold by BİM and subjects its production facilities to stringent quality control.

In order to minimize environmental damage due to the bags offered to the customers, biologically degradable (oxo-bio) nylon bags are being used in all BİM stores as of 2010.

In addition, product quality control testing is conducted by the Istanbul Headquarters, as well as other regional organizations. Before listing of products, quality and taste tests are performed on the product, as well as equivalent and competitive products, to compare results.

The Company places great importance on food safety. BİM A.Ş. guarantees that all products, at a minimum, comply with all official standards and assumes full responsibility in this respect.

Providing products that completely meet the requirements and needs of its customers in an affordable and timely manner and continuous improvement are the main policies of the Company.

Donations made each year with corporate social awareness are, based on the relevant articles of the Articles of Association of the Company, disclosed to stakeholders at the Ordinary General Shareholders' meetings held.

PART IV-BOARD OF DIRECTORS

18. Structure and Composition of the Board of Directors and Independent Members

The Board of Directors is responsible for the management and representation of the Company. The Board consists of seven members elected during the General Meeting in accordance with the provisions of the Turkish Commercial Code. Two members are independent Board members, as defined by the Corporate Governance Guide of the Capital Markets Board of Turkey.

Following the retirement of the Company CEO on January 1, 2010, an Executive Committee was formed to take over the authorities and responsibilities of the CEO. The Company's Chairman of Board is also acting as Chairman of the Executive Committee.

Article 19 of the Company's Articles of Association restricts Board members from actions that may affect operations without the consent of the General Meeting, as stipulated in Articles 334 and 335 of Turkish Commercial Code. In the Ordinary General Shareholders' Meeting held on April 22, 2010, members of the Board of Directors were allowed to conduct the relevant transactions in accordance with the relevant articles of the Turkish Commercial Code.

There is no limitation imposed upon the members of the Board of Directors with regards to their involvement of other duties other than those of the Company.

Names of current Board members are listed under Article 12 of the Report.

19. Qualifications of the Board Members

The Board of Directors is made up of knowledgeable and experienced individuals who possess the qualifications mentioned in the CMB's Corporate Governance Principles. The Company's Articles of Association do not provide any further qualifications required for a membership appointment.

Resumes of the members of the Board of Directors are included in the annual report.

20. Mission, Vision and Strategic Objectives of the Company

The Company aims to maintain high-efficiency in profitable areas for the discount food retailing sector and to offer its services to more consumers by expanding into other regions of Turkey, as well as other countries where this concept can be implemented. Other targets of the Company include providing quality products at all times, increasing operational efficiency, discounting prices, involving more private-label products in its portfolio and reducing costs by increasing suppliers' efficiency.

The Board of Directors approves the yearly budget and analyzes financial data monthly to ascertain the extent that the Company objectives are being met. In addition to yearly objectives, upon the request of the Board, the management prepares strategic plans for five years and submits it to the Board of Directors for review.

21. Risk Management and Internal Control Mechanisms

BİM A.Ş. has developed relevant "policies" and "procedures" in line with business processes, performed functional task distribution within the organization and established approval and authorization systems within processes. Further, BİM A.Ş. regulated procedures regarding the protection and reconciliation of the Company's physical assets taking into consideration risk exposure and prevention methods within the scope of risk management and internal control mechanisms. In addition, efficient reporting and management-surveillance practices have been established within the Company.

An Internal Auditing Unit appointed by the Company is responsible for risk management and independent evaluation of the internal control processes. All Company operations are included within the responsibilities of the Internal Audit Unit and are audited according to annual plans. The Internal Audit Unit is an independent unit and directly reports to the Audit Committee whose members are selected from the Board of Directors. All stages of the internal audit process and the relevant standards as well as the basic rules and procedures related to internal audit carried out within the Company are based on the internal audit legislation and the internal audit standards documentation.

The Internal Auditing Unit is responsible for analyzing the consolidated financial tables, which are prepared quarterly, for compliance with auditing principles. This activity is conducted in accordance with Capital Market regulations and reporting to the Auditing Committee for their compliance status.

22. Duties and Responsibilities of the Members of the Board of Directors and Executives

The Board of Directors performs duties stipulated by law and by the Articles of Association. The Company is controlled and represented by the Board of Directors. The Board of Directors is entitled to carry out any transaction or legal, financial and technical work on behalf of the Company and to use the trade name of the Company.

In 2008, the Corporate Governance Principles specifying the duties and responsibilities of the Company's Board of Directors, Board members, senior management and Internal Audit Units were approved and placed into effect.

23. Operating Principles of the Board of Directors

The Board of Directors shall convene when deemed necessary for the business and operations of the Company, upon the call of the Chairman as provided in the Company's Articles of Association. However, it is mandatory that the Board of Directors will convene once every three months. The Chairman will call the Board of Directors to the meeting upon the request of any Board member. If the Chairman does not convene the meeting within ten business days following the request, the Vice-Chairman is required to call the Board to meet. The invitation for a meeting and the meeting agenda shall be sent to each member by registered mail, hand-delivered or sent via fax or telex at least 15 days prior to the scheduled meeting date. The meeting may be held at the Company's registered office in Turkey, or any other location the Board unanimously decides upon. In accordance with Article 330/2 of the Turkish Commercial Code, the Board of Directors is entitled to pass resolutions without convening. While the members of the Board are entitled to equal voting rights, they cannot cast exercise veto. In case independent members express different justifications on issues, the justifications behind negative votes are not announced publicly. The Board of Directors shall prepare the agenda based on emerging requirements and the Secretary of the Board of Directors shall inform and communicate with the Board of Directors.

During 2010, the Board of Directors physically convened nine times and adopted 12 resolutions by obtaining the consent of its members without meeting, in accordance with Article 330/2 of the Turkish Commercial Code. None of the members voted against the decisions.

24. Prohibition on Engaging in Transactions and Competing with the Company

The members of the Board of Directors shall not engage in any of the activities listed in Articles 334 and 335 of the Turkish Commercial Code without the permission of the General Assembly.

25. Rules of Ethics

The Company's expectations of its employees, managers and suppliers are clearly specified in the organizational objectives document supplied to all employees; the expectations and rules therein are not disclosed to the public. The Company's code of conduct and related procedures are strictly applied and updated when deemed necessary.

26. Number, Structure and Independence of Committees Established by the Board of Directors

The Board of Directors established an Affiliated Companies and Related Parties Committee and an Audit and Remuneration Committee. These committees are appointed to ensure that the Board of Directors fulfills its duties and responsibilities duly and precisely in line with the requirements and conditions of the Company and that these committees submit reports prepared on a quarterly basis to the Board of Directors. Both members of Audit and Remuneration Committee and one of two members of the Affiliated Companies and Related Parties Committee are independent board members. One of the independent board members acts in both committees. None of the chairmen or members of these committees holds an executive position in the Company. The Board of Directors has not yet established a Corporate Governance Committee.

Further, Foreign Invesments Committee was established within the year to research and monitor the foreign invesments being made or to be made, to conduct the necessary operations in this regard and to report to the Board of Directors. The Committee reports to the Board of Directors when such a need arises. The Committee has three members, two of whom are Board of Directors members, whereas, one of whom is the CFO. Two of these three members are independent board members.

27. Financial Benefits to the Board of Directors

The Board of Directors is paid an honorarium as provided by the resolutions from the General Meeting. The Company does not provide benefits to Board members or management by extending loans or credit. Board members are not granted performance-based remuneration.

BİM BİRLEŞİK MAĞAZALAR ANONİM ŞİRKETİ

CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2010 TOGETHER WITH INDEPENDENT AUDITORS' REPORT

(CONVENIENCE TRANSLATION OF A REPORT AND FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

Güney Bağımsız Denetim ve
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(Convenience translation of a report and financial statements originally issued in Turkish)

Independent auditors' report on the consolidated financial statements for the year ended December 31, 2010

To the Shareholders of
BİM Birleşik Mağazalar Anonim Şirketi

Introduction

We have audited the accompanying consolidated balance sheet of BİM Birleşik Mağazalar Anonim Şirketi (the Company) and its Subsidiary as of December 31, 2010 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and explanatory notes.

Management's responsibility for the financial statements

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

Independent auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our audit was conducted in accordance with standards on auditing issued by the CMB. Those standards require that ethical requirements are complied and independent audit is planned and performed to obtain reasonable assurance whether the financial statements are free from material misstatement.

An independent audit involves performing independent audit procedures to obtain independent audit evidence about the amounts and disclosures in the financial statements. The independent audit procedures selected depend on our professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error and/or fraud. In making those risk assessments, the Company's internal control system is considered. Our purpose, however, is not to express an opinion on the effectiveness of internal control system, but to design independent audit procedures that are appropriate for the circumstances in order to identify the relation between the financial statements prepared by the Company and its internal control system. Our independent audit includes also evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying financial statements present fairly the financial position of BİM Birleşik Mağazalar Anonim Şirketi and Its Subsidiary as at December 31, 2010 and their financial performance and cash flows for the year then ended in accordance with financial reporting standards published by the Capital Market Board in Turkey.

Additional paragraph for convenience translation to English:

As at 31 December 2010, the accounting principles described in Note 2 (defined as CMB Financial Reporting Standards) to the accompanying financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting and also for certain disclosures requirement of the CMB. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Metin Canoğulları, SMMM
Partner

March 8, 2011
Istanbul, Turkey

(Convenience translation of a report and financial statements originally issued in Turkish)

BİM BİRLEŞİK MAĞAZALAR ANONİM ŞİRKETİ AND ITS SUBSIDIARY

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2010

(Currency – Thousands of Turkish Lira)

Assets	Notes	Current period December 31, 2010 Audited	Prior period December 31, 2009 Audited
Current assets		814.785	612.110
Cash and cash equivalents	6	257.571	166.542
Trade receivables	10	192.453	161.357
Inventories	13	335.999	257.851
Other current assets	26	28.762	26.360
Non-current assets		557.283	487.551
Property and equipment	18	549.338	479.093
Intangible assets	19	2.759	3.532
Deferred tax asset	35	349	-
Other non-current assets	26	4.837	4.926
Total assets		1.372.068	1.099.661

The accompanying policies and explanatory notes on pages 49 through 82 form an integral part of the financial statements.

(Convenience translation of a report and financial statements originally issued in Turkish)

BİM BİRLEŞİK MAĞAZALAR ANONİM ŞİRKETİ AND ITS SUBSIDIARY
CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2010
(Currency – Thousands of Turkish Lira)

Liabilities and equity	Notes	Current period December 31, 2010 Audited	Prior period December 31, 2009 Audited
Current liabilities		853.070	693.078
Financial liabilities	8	7.662	-
Trade payables			
- Due to related parties	37	97.365	110.739
- Other trade payables	10	701.398	542.706
Other current liabilities	26	23.259	20.726
Income tax payable	35	15.716	11.634
Accrued liabilities	22	7.670	7.273
Non-current liabilities		18.566	18.528
Reserve for employee termination benefits	24	9.523	7.567
Deferred tax liability	35	9.043	10.961
Equity		500.432	388.055
Equity attributable to parent		500.432	388.055
Paid-in share capital	27	151.800	75.900
Inflation adjustment on paid-in share capital	27	-	6.956
Revaluation surplus	18, 27	15.704	15.704
Currency translation difference		618	1.056
Restricted reserves allocated from profits	27	51.599	34.072
Prior year profits	27	35.071	41.425
Net income for the period		245.640	212.942
Total liabilities and equity		1.372.068	1.099.661

The accompanying policies and explanatory notes on pages 49 through 82 form an integral part of the financial statements.

(Convenience translation of a report and financial statements originally issued in Turkish)

BİM BİRLEŞİK MAĞAZALAR ANONİM ŞİRKETİ AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2010

(Currency – Thousands of Turkish Lira)

	Notes	Current period January 1, 2010 - December 31, 2010 Audited	Prior period January 1, 2009 - December 31, 2009 Audited
Continuing operations			
Net sales	28	6.573.951	5.323.390
Cost of sales (-)	28	(5.469.272)	(4.378.501)
Gross profit		1.104.679	944.889
Selling, marketing and distribution expenses (-)	29	(708.805)	(593.992)
General and administrative expenses (-)	29	(104.358)	(92.188)
Other operating income	31	11.253	10.129
Other operating expenses (-)	31	(7.104)	(6.463)
Operating profit		295.665	262.375
Financial income	32	13.993	7.908
Financial expense (-)	33	(3.657)	(1.712)
Net income before taxes from continuing operations		306.001	268.571
Tax expense for continuing operations			
- Current tax expense for the period	35	(62.628)	(54.777)
- Deferred tax expense	35	2.267	(852)
Net income		245.640	212.942
Other comprehensive income			
Change in revaluation fund		-	2.732
Change in currency translation difference		(438)	1.056
Tax income of other comprehensive income		-	98
Other comprehensive income (after tax)		(438)	3.886
Total comprehensive income		245.202	216.828
Profit for the period attributable to			
Share of the parent		245.640	212.942
Minority interest		-	-
Total comprehensive income attributable to			
Share of the parent		245.202	216.828
Minority interest		-	-
Weighted average number of shares (each equals to TL 1)		151.800.000	151.800.000
Earnings per share attributable to equity holders of the parent (full TL)	36	1,618	1,403

The accompanying policies and explanatory notes on pages 49 through 82 form an integral part of the financial statements.

(Convenience translation of a report and financial statements originally issued in Turkish)

BİM BİRLEŞİK MAĞAZALAR ANONİM ŞİRKETİ AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2010
(Currency – Thousands of Turkish Lira)

	Paid-in share capital	Inflation adjustment on paid-in share capital	Revaluation surplus	Currency translation difference	Restricted reserves allocated from profits	Prior year profits	Net income for the period	Total equity
December 31, 2008	75.900	6.956	12.874	-	19.469	36.724	114.180	266.103
Transfer to prior year profits	-	-	-	-	-	53.460	(53.460)	-
Transfers to restricted reserves allocated from profits	-	-	-	-	14.603	(14.603)	-	-
Dividends paid	-	-	-	-	-	(34.156)	(60.720)	(94.876)
Net income for the period	-	-	-	-	-	-	212.942	212.942
Other comprehensive income	-	-	2.830	1.056	-	-	-	3.886
Total comprehensive income	-	-	2.830	1.056	-	-	212.942	216.828
December 31, 2009	75.900	6.956	15.704	1.056	34.072	41.425	212.942	388.055
Transfer to prior year profits	-	-	-	-	-	212.942	(212.942)	-
Transfer to restricted reserves allocated from profits	-	-	-	-	17.527	(17.527)	-	-
Capital issue (Note 27)	75.900	(6.956)	-	-	-	(68.944)	-	-
Dividends paid (Note 27)	-	-	-	-	-	(132.825)	-	(132.825)
Net income for the period	-	-	-	-	-	-	245.640	245.640
Other comprehensive income	-	-	-	(438)	-	-	-	(438)
Total comprehensive income	-	-	-	(438)	-	-	245.640	245.202
December 31, 2010	151.800	-	15.704	618	51.599	35.071	245.640	500.432

The accompanying policies and explanatory notes on pages 49 through 82 form an integral part of the financial statements.

(Convenience translation of a report and financial statements originally issued in Turkish)

BİM BİRLEŞİK MAĞAZALAR ANONİM ŞİRKETİ AND ITS SUBSIDIARY
STATEMENT OF CONSOLIDATED CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010

(Currency – Thousands of Turkish Lira)

	Notes	Current period January 1, 2010- December 31, 2010 Audited	Prior period January 1, 2009- December 31, 2009 Audited
Cash flows from operating activities			
Profit before tax		306.001	268.571
Adjustments to reconcile profit before tax to net cash provided by operating activities:			
Depreciation and amortization	18, 19	64.837	55.475
Profit share income from deposit accounts	32	(12.479)	(7.346)
Allowance for doubtful receivable, net	10	170	(66)
Financial expense of employee termination benefit	24	1.257	777
Provision for employee termination benefit	24	2.651	1.778
Loss on sale of property and equipment and intangibles	31	2.190	2.145
Provision for impairment of property and equipment	18, 31	-	802
Accrued liabilities		397	2.088
Provision/(reversal) for impairment of inventories	13	(970)	(381)
Operating income before working capital changes		364.054	323.843
Net working capital changes in:			
Trade receivables		(31.266)	(46.981)
Inventories		(77.178)	(26.612)
Other current assets		(2.402)	(4.913)
Other non-current assets	26	246	3.216
Other trade payables		158.692	112.102
Due to related parties		(13.374)	31.898
Other current liabilities		2.533	4.305
Other non-current liabilities		-	(206)
Income taxes paid		(58.546)	(46.399)
Employee termination benefit paid	24	(1.952)	(1.337)
Net cash generated by operating activities		340.807	348.916
Cash flows from investing activities:			
Purchase of property and equipment	18	(140.833)	(131.697)
Purchase of intangibles	19	(881)	(1.875)
Advances given for purchase of property and equipment		(157)	746
Proceeds from sale of property and equipment and intangibles		5.073	2.257
Profit share received from deposit accounts		12.378	6.895
Net cash used in investing activities		(124.420)	(123.674)
Cash flows from financing activities:			
Dividends paid		(132.825)	(94.876)
Proceeds from bank borrowings	8	7.662	-
Repayment of bank borrowings	8	-	(21.778)
Net cash used in financing activities		(125.163)	(116.654)
Currency translation differences		(296)	1.056
Increase in cash and cash equivalents		90.928	109.644
Cash and cash equivalents at the beginning of the year		166.091	56.447
Cash and cash equivalents at the end of the year	6	257.019	166.091

The accompanying policies and explanatory notes on pages 49 through 82 form an integral part of the financial statements.

(Currency – Thousands of Turkish Lira [TL] unless otherwise indicated.
All other currencies are expressed in full amounts unless otherwise indicated)

1. Organization and nature of operations of the Company

BİM Birleşik Mağazalar Anonim Şirketi (BİM-the Company) was established on May 31, 1995 and commenced its operations in September 1995. The registered address of the Company is Ebubekir Cad. No: 289 Sancaktepe, İstanbul.

The Company is engaged in operating retail stores through its retail shops throughout Turkey, which sell an assortment of approximately 600 items, including a number of private labels. The Company is publicly traded in Istanbul Stock Exchange (ISE) since July 2005.

The Company established a new company named Bim Stores SARL on May 19, 2008 with 100% ownership in Morocco which is engaged in hard discount retail sector and started to operate on April 11, 2009. BIM Stores SARL financial statements are consolidated by using the full consolidation method as of December 31, 2010.

Hereinafter, the Company and its consolidated subsidiary together will be referred to as “the Group”.

The main and ultimate controlling party of the Group is Mustafa Latif Topbaş. The consolidated financial statements were authorized for issue on March 8, 2011 by the Board of Directors of the Company. Although there is no such intention, the General Assembly and certain regulatory bodies have the power to amend the financial statements after issue.

For the years ended December 31, 2010 and 2009, the average number of workers in accordance with their categories is shown below:

	January 1-December 31, 2010	January 1-December 31, 2009
Office personnel	1.113	1.070
Warehouse personnel	1.935	1.802
Store personnel	13.460	11.669
Total	16.508	14.541

2. Basis of preparation of financial statements

Basis of preparation

The Company maintains its books of account and prepares its statutory financial statements in Turkish Lira (TL) in accordance with regulations on accounting and reporting framework and the Uniform Chart of Accounts issued by the Ministry of Finance. The legal statutory financial statements of the subsidiary established outside of Turkey are prepared in accordance with law and tax legislation in the country it is domiciled.

The financial statements of the Company have been prepared in accordance with accounting and reporting standards (the CMB Accounting Standards) as prescribed by the Turkish Capital Market Board (the CMB) until December 31, 2007.

The CMB has issued communiqué no. XI-25 “Communiqué on Accounting Standards in Capital Markets” which sets out a comprehensive set of accounting principles. In this Communiqué, the CMB stated that alternatively application of accounting standards prescribed by the International Accounting Standards Board (IASB) and International Accounting Standards Committee (IASC) will also be considered to be compliant with the CMB Accounting Standards. Beginning from January 1, 2008, the financial statements are prepared in accordance with International Accounting/Financial Reporting Standards (IAS/IFRS) as prescribed in the CMB communiqué published in the official gazette dated April 9, 2008 and after became effective No:XI-29 “Communiqué on Financial Reporting Standards in Capital Markets” (Communiqué) and from the statutory financial statements with adjustments and reclassifications for the purpose of fair presentation. Such adjustments mainly comprise accounting for subsidiary on a consolidation basis, provision for impairment of stock, deferred taxation, employee termination benefits, fair value accounting of land and buildings and rediscount of trade receivables and payables.

The consolidated financial statements have been prepared under the historical cost convention, except for land and building which are carried at fair value.

Changes in accounting policies

The accounting policies adopted in the preparation of the Group's consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2009, except for the adoption of new standards and interpretations as of January 1, 2010, noted below:

Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except those summarized below. The Group has adopted the following new and amended IFRS and IFRIC interpretations as of 1 January 2010.

- IFRIC 17 Distributions of Non-cash Assets to Owners
- IAS 39 Financial Instruments: Recognition and Measurement (Amended) – eligible hedged items
- IFRS 2 Group Cash-settled Share-based Payment Transactions (Amended)
- IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)
- Improvements to IFRSs, May 2008
- Improvements to IFRSs April 2009

Adoption of the standards or interpretations does not have an impact on the financial statements or performance of the Group.

Amendments -resulting from improvements to IFRSs published in April 2009- to the following standards which had or did not have an effect on the accounting policies, financial position or performance of the Group are as follows:

- IFRS 2 Share-based Payment
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
- IFRS 8 Operating Segment Information
- IAS 1 Presentation of Financial Statements
- IAS 7 Statement of Cash Flows
- IAS 17 Leases
- IAS 18 Revenue
- IAS 36 Impairment of Assets
- IAS 38 Intangible Assets
- IAS 39 Financial Instruments: Recognition and Measurement
- IFRIC 9 Reassessment of Embedded Derivatives
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation

Standards issued but not yet effective and not early adopted by the Group and the amendments to current standards and interpretations:

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

The interpretation is effective for annual periods beginning on or after 1 July 2010. This interpretation addresses the accounting treatment when there is a renegotiation between the entity and the creditor regarding the terms of a financial liability and the creditor agrees to accept the entity's equity instruments to settle the financial liability fully or partially. IFRIC 19 clarifies such equity instruments are "consideration paid" in accordance with paragraph 41 of IAS 39. As a result, the financial liability is derecognised and the equity instruments issued are treated as consideration paid to extinguish that financial liability. The Group does not expect that the amendment will have impact on the financial position or performance of the Group.

IFRIC 14 Prepayments of a Minimum Funding Requirement (Amended)
The amendment is effective for annual periods beginning on or after 1 January 2011. The purpose of this amendment was to permit entities to recognize as an asset some voluntary prepayments for minimum funding contributions. This Earlier application permitted and must be applied retrospectively. The Group does not expect that the amendment will have impact on the financial position or performance of the Group.

IFRS 9 Financial Instruments – Phase 1 financial assets, classification and measurement
The new standard is effective for annual periods beginning on or after 1 January 2013. Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial assets. Early adoption is permitted. This standard has not been approved by the European Union yet. The Group does not expect that the amendment will have impact on the financial position or performance of the Group.

IAS 32 Classifications on Rights Issues (Amended)
The amendment is effective for annual periods beginning on or after 1 February 2010. This amendment relates to the rights issues offered for a fixed amount of foreign currency which were treated as derivative liabilities by the existing standard. The amendment states that if certain criteria are met, these should be classified as equity regardless of the currency in which the exercise price is denominated. The amendment is to be applied retrospectively The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

IAS 24 Related Party Disclosures (Revised)
The revision is effective for annual periods beginning on or after 1 January 2011. This revision relates to the judgment which is required so as to assess whether a government and entities known to the reporting entity to be under the control of that government are considered a single customer. In assessing this, the reporting entity shall consider the extent of economic integration between those entities. Early application is permitted and adoption shall be applied retrospectively. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

IFRS 1 Limited Exemption from Comparative IFRS 7 Disclosures for the first time adopters (Amended)
The amendment is effective for annual periods beginning on or after 1 July 2010. This amendment was issued on 28 January 2010 and exempts first-time adopters of IFRSs from providing the additional disclosures introduced by IFRS 7 on 5 March 2009. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The effective dates of the improvements are various and the earliest is for the financial year beginning 1 July 2010. Early application is permitted in all cases.

- IFRS1 First-time adoption, effective for annual periods beginning on or after 1 January 2011
- IFRS 3 Business Combinations, effective for annual periods beginning on or after 1 July 2010
- IFRS 7 Financial Instruments: Disclosures, effective for annual periods beginning on or after 1 January 2011.
- IAS 1 Presentation of Financial Statements, effective for annual periods beginning on or after 1 January 2011.
- IAS 27 Consolidated and Separate Financial Statements, effective for annual periods beginning on or after 1 July 2010.
- IAS 34 Interim Financial Reporting, effective for annual periods beginning on or after 1 January 2011.
- IFRIC 13 Customer Loyalty Programmes, effective for annual periods beginning on or after 1 January 2011.

IFRS 7 Financial Instruments: Disclosures as part of its comprehensive review of off balance sheet activities (Amended)
The amendment is effective for annual periods beginning on or after 1 July 2011. The purpose of this amendment is to allow users of financial statements to improve their understanding of transfer transactions of financial assets (e.g. securitisations), including understanding the possible effects of any risks that may remain with the entity which transferred the assets. The amendment also requires additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

(Convenience translation of a report and financial statements originally issued in Turkish)
BİM BİRLEŞİK MAĞAZALAR ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2010 (CONTINUED)
(Currency – Thousands of Turkish Lira [TL] unless otherwise indicated.
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IAS 12 Income Taxes-Deferred Taxation: Recovery of Main assets (Amendment)

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

Functional and presentation currency

The functional and presentation currency of the Company is Turkish Lira (TL).

The functional currency of the Company's subsidiary, BIM Stores SARL, is Maroc Dirham (MAD). In the consolidated financial statements, MAD amounts presented in the balance sheet are translated into Turkish Lira at the official TL exchange rate for purchases of MAD announced by the Central Bank of the Republic of Turkey at the balance sheet date, MAD 1,00 (full) = TL 5,429, MAD amounts in the statement of comprehensive income have been translated into TL, at the average TL exchange rate for purchases of MAD, is MAD 1,00 (full) = TL 5,602. Differences that occur by the usage of closing and average exchange rates are followed under currency translation differences classified under equity.

Reclassifications made in 2009 financial statements

a) For the purpose of consistent presentation of the financial statements as of December 31, 2009 compared to financial statements as of December 31, 2010, "Other trade payables" amounting to TL 5.913 has been classified to "Due to related parties".

b) The classifications made to the consolidated cash flow statement as of December 31, 2009 are as follows;

- The change amounting to TL 746 presented under "Purchase of property and equipment" in cash flow from investing activities is classified to "Advances given for purchase of property and equipment".
- The change amounting to TL 66 presented under "Trade receivables" in "Net working capital changes" is classified as under "Allowance for doubtful receivable" in "Operating income before working capital changes"
- The accrual for "Profit share received from deposit accounts" amounting to TL 451 presented as change under "Profit share received from deposit accounts" in "Cash flow from investing activities" is presented separately from "Cash and cash equivalents at the end of the year"

Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent company and its subsidiary prepared for the year ended December 31, 2010. Subsidiary is consolidated from the date on which control is transferred to the Group. The consolidated financial statements cover BİM and the subsidiary with 100% control.

Subsidiary is consolidated by using the full consolidation method; therefore, the carrying value of subsidiary is eliminated against the related shareholders' equity.

Intercompany balances and transactions between BİM and its subsidiary, including intercompany unrealized profits and losses are eliminated. Consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet 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.

Accounting estimates

The preparation of financial statements in accordance with the CMB Accounting Standards require the Group management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. Those estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the periods in which they become known.

Significant estimates used in the preparation of these financial statements and the significant judgments with the most significant effect on amounts recognized in the financial statements are mainly related with accounting of employee termination benefits, provision for inventories, revaluation of land and buildings, assessment of economic useful lives of property, plant and equipment and intangibles and provision for income taxes.

Summary of significant accounting policies

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be reliably measured. Revenue is recognized net of discounts and Value Added Tax (VAT) when delivery has taken place and transfer of risks and rewards has been completed.

Profit shares income from participations banks are recognized according to the accrual basis.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks, cash in transit and time deposits generally having original maturities of three months or less.

Trade receivables

Trade receivables, which generally have an average of 10 day term (December 31, 2009 – 10 days) as of balance sheet date, are carried at amortized cost less an allowance for any uncollectible amounts. Estimate is made for the doubtful provision when the collection of the trace receivable is not probable.

Inventories

Inventories are valued at the lower of cost and net realizable value. Costs comprise purchase cost and, where applicable and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined by the first in first out method. Net realizable value is the estimated selling price less estimated costs necessary to realize sale.

Property and equipment

All property and equipment is initially recorded at cost. Land and building are subsequently measured at revalued amounts which are the fair value at the date of the revaluation, based on valuations by external independent valuers, less subsequent depreciation for building. All other property and equipment is stated at cost less accumulated depreciation and accumulated impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the related accounts and any gain or loss resulting from their disposal is included in the statement of income. On disposal of revalued assets, amounts in revaluation reserves relating to that asset are transferred to retained earnings.

The initial cost of property and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset ready for use. Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance, are normally charged to income in the year the costs are incurred. If the asset recognition criteria are met, the expenditures are capitalized as an additional cost of property and equipment.

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BİM BİRLEŞİK MAĞAZALAR ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2010 (CONTINUED)
(Currency – Thousands of Turkish Lira [TL] unless otherwise indicated.
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Increases in the carrying amount arising on revaluation of property are initially credited to revaluation reserve in shareholders' equity net of the related deferred tax.

Depreciation is provided on cost or revalued amount of property and equipment on a straight-line basis. The depreciation periods for property and equipment, which approximate the estimated economic useful lives of such assets, are as follows:

	Year
Land improvements	5
Building	25
Machinery and equipment	4- 10
Furniture and fixtures	5- 10
Vehicles	5- 10
Leasehold improvements	5- 10

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

Intangible assets

Intangible assets which mainly comprise software rights are measured initially at cost. Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise; and the cost of the asset can be measured reliably. After initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets excluding development costs, created within the business are not capitalized and expenditure is charged against profits in the year in which it is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortized on a straight line basis over the best estimate of their useful lives. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of income in the expense category consistent with the function of the intangible asset.

The Group does not have any intangible assets with indefinite useful lives.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Impairment of non-financial assets

The carrying values of assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the statement of income. The recoverable amount of property and equipment is the greater of net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life while the net selling price is the amount obtainable from the sale of an asset after cost of sales deducted.

Trade payables

Trade payables which generally have an average of 48 day term (December 31, 2009-49 days) are initially recorded at original invoice amount and carried at amortized cost. This amount is the fair value of consideration to be paid in the future for goods and services received, whether or not billed.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalized as part of the cost of that asset. Such borrowing costs are capitalized as part of the cost of the asset when it is probable that they will result in future economic benefits to the entity and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Financial instruments

Financial asset and financial liabilities are recognized on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

When a financial instrument gives rise to a contractual obligation on the part of the Group to deliver cash or another financial asset or to exchange another financial instrument under conditions that are potentially unfavorable, it is classified as a financial liability. The instrument is an equity instrument if, and only if, both conditions (a) and (b) below are met:

(a) The instrument includes no contractual obligation to deliver cash or another financial asset to another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the issuer,

(b) If the instrument will or may be settled in the Group's own equity instruments, it is a non-derivative that includes no contractual obligation for the Group to deliver a variable number of its own equity instruments; or a derivative that will be settled only by the Group exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets. When financial assets are recognized initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate re-evaluates this designation at each financial year/period-end.

All regular way purchases and sales of financial assets are recognized on the trade date, which is the date that the Group commits to purchase/sell the asset. Regular way purchases or sales are purchases or sale of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method. Gains and losses are recognized in income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Recognition and derecognition of financial assets and liabilities

The Group recognizes a financial asset or financial liability in its balance sheet when only when it becomes a party to the contractual provisions of the instrument. The Group derecognizes a financial asset or a portion of it only when the control on rights under the contract is discharged. The Group derecognizes a financial liability when the obligation under the liability is discharged or cancelled or expires.

All regular way financial asset purchase and sales are recognized at the date of the transaction, the date the Group committed to purchase or sell.

(Convenience translation of a report and financial statements originally issued in Turkish)
BİM BİRLEŞİK MAĞAZALAR ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2010 (CONTINUED)
(Currency – Thousands of Turkish Lira [TL] unless otherwise indicated.
All other currencies are expressed in full amounts unless otherwise indicated)

Impairment of financial assets

The Group assesses at each balance sheet date whether a financial asset is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognized in the consolidated statement of income.

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, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Provision for impairment is provided when there is an objective evidence of uncollectibility of trade receivables. Reserve is provided for the overdue uncollectible receivables. Also portfolio reserve is provided for the not due receivables based on certain criteria. The carrying amount of the receivable is reduced through use of an allowance account.

Foreign currency transactions

Transactions in foreign currencies during the period have been translated at the exchange rates prevailing at the dates of such transactions. Exchange rate differences arising on reporting monetary items at rates different from those at which they were initially recorded or on the settlement of monetary items or are recognized in the comprehensive income statement in the period in which they arise.

Foreign currency conversion rates used by the Group for the related period ended are as follows:

Dates	USD/TL (full)	EUR/TL (full)
December 31, 2010	1,5460	2,0491
December 31, 2009	1,5057	2,1603

Earnings per share

Earnings per share (EPS) are determined by dividing net income by the weighted average number of shares that have been outstanding during the period concerned. The weighted average number of shares outstanding during the year has been adjusted in respect of free shares issued without corresponding increase in resources.

Subsequent events

Post year/period-end events that provide additional information about the Group's position at the balance sheet date (adjusting events), are reflected in the financial statements. Post year/period-end events that are not adjusting events are disclosed in the notes when material.

Provisions, contingent assets and contingent liabilities

i) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

ii) Contingent assets and liabilities

Contingent liabilities are not recognised 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 recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

Leases

Operating leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the statement of income on a straight-line basis over the lease term.

Related parties

Parties are considered 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 parents, 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 venturer;
(d) the party is member of the key management personnel of the Group or 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, jointly 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);

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

Income taxes

Tax expense or income is the aggregate amount included in the determination of net profit or loss for the period in respect of current and deferred taxes.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilized.

(Convenience translation of a report and financial statements originally issued in Turkish)
BİM BİRLEŞİK MAĞAZALAR ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2010 (CONTINUED)
(Currency – Thousands of Turkish Lira [TL] unless otherwise indicated.
All other currencies are expressed in full amounts unless otherwise indicated)

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and recorded to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

The effects of the deferred taxes on temporary deductible differences are recognized directly in the equity.

Reserve for employee benefits

a) Defined benefit plans:

In accordance with existing social legislation in Turkey, the Company is required to make lump-sum termination indemnity payments to each employee who has completed over one year of service with the Company and whose employment is terminated due to retirement or for reasons other than resignation or misconduct.

As detailed in Note 24, the employee benefit liability is provided for in accordance with IAS 19 “Employee Benefits” and is based on an independent actuarial study.

In the consolidated financial statements, the Group has recognized a liability using the “Projected Unit Credit Method”. Actuarial gains and losses, as long as the cumulative unrecognized portion exceed 10% of the present value of the defined benefit obligation, are recognized in the comprehensive statement of income over the average remaining working lives of employees. The employee termination benefits are discounted to the present value of the estimated future cash outflows using the discount rate estimated by qualified actuaries.

b) Defined contribution plans:

The Company pays contributions to the Social Security Institution of Turkey on a mandatory basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognized as an employee benefit expense when they are due.

3. Business combinations

None (December 31, 2009-None).

4. Joint ventures

None (December 31, 2009-None).

5. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided the chief operating decision makers. The chief operating decision makers, who are responsible for allocation resources and assessing performance of the operating segments, have been identified as the senior management that makes strategic decisions.

The senior management of the Company makes strategic decisions as a whole over the operations of the Company as the Company operates in a single industry and operations outside Turkey do not present an important portion in overall operations. Based on those reasons, there is a single reportable segment in accordance with the provisions in IFRS 8 and segment reporting is not applicable.

(Currency – Thousands of Turkish Lira [TL] unless otherwise indicated.
All other currencies are expressed in full amounts unless otherwise indicated)

6. Cash and cash equivalents

	December 31, 2010	December 31, 2009
Cash on hand	39.633	31.173
Banks		
-profit share deposits	185.741	111.692
-demand deposits	21.931	17.472
Cash in transit	10.266	6.205
	257.571	166.542
Less: accrual for profit share	(552)	(451)
	257.019	166.091

There is no restricted cash as of December 31, 2010 and 2009. As of December 31, 2010 gross profit share of percentage from participation banks for TL amounts is 7,7% (December 31, 2009-gross 9,5%).

7. Financial investments

The Group does not have any security as of December 31, 2010 and 2009.

8. Financial liabilities

As of December 31, 2010, the Group has short term interest free bank borrowings from various banks amounting to TL 7.662 for the payment of social security premiums. These financial liabilities are closed after January 4, 2011.

As of December 31, 2009, the Group does not have any financial liabilities.

9. Other financial liabilities

None (December 31, 2009-None).

10. Trade receivables and payables

a) Trade receivables, net

	December 31, 2010	December 31, 2009
Credit card receivables	191.481	160.905
Trade receivables	500	347
Doubtful receivables	694	524
Other receivables	472	105
Less: provision for doubtful receivables	(694)	(524)
	192.453	161.357

As of December 31, 2010 the average term of trade receivables is 10 days (December 31, 2009-10 days).

As of December 31, 2010 and 2009, the Group does not have any overdue trade receivables except provision for doubtful receivables.

(Convenience translation of a report and financial statements originally issued in Turkish)
BİM BİRLEŞİK MAĞAZALAR ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2010 (CONTINUED)
(Currency – Thousands of Turkish Lira [TL] unless otherwise indicated.
All other currencies are expressed in full amounts unless otherwise indicated)

Current year movement of allowance for doubtful receivables is as follows;

	December 31, 2010	December 31, 2009
Beginning	524	590
Allowance for doubtful receivable	216	9
Current year collection	(46)	(75)
Ending	694	524

b) Trade payables, net

	December 31, 2010	December 31, 2009
Other trade payables	701.398	542.706
	701.398	542.706

As of December 31, 2010, letters of guarantee and cheque amounting to TL 16.111 and mortgages amounting to TL 12.710 were received from supplier firms (December 31, 2009 – TL 9.677 letters of guarantee and cheque, TL 14.420 mortgages).

11. Other receivables and payables

a) Other receivables – As of December 31, 2010 and 2009, the Group does not have any other short-term and long-term receivables.

b) Other payables- As of December 31, 2010 and 2009, the Group does not have any other short-term and long-term payables.

12. Liabilities to and receivables from finance sector operations

None (December 31, 2009 – None).

13. Inventories

	December 31, 2010	December 31, 2009
Trade goods	332.795	255.527
Other inventory	3.204	2.324
	335.999	257.851

As of December 31, 2010, provision for impairment of inventory amounting to TL 1.229 was recorded (December 31, 2009 – TL 2.199).

	December 31, 2010	December 31, 2009
Beginning	(2.199)	(2.580)
Current year reversal	2.199	2.580
Provision for impairment of inventory	(1.229)	(2.199)
Ending	(1.229)	(2.199)

(Currency – Thousands of Turkish Lira [TL] unless otherwise indicated.
All other currencies are expressed in full amounts unless otherwise indicated)

14. Biological assets

None (December 31, 2009-None).

15. Assets related with construction projects in progress

None (December 31, 2009-None).

16. Investment in associates

None (December 31, 2009-None).

17. Investment properties

None (December 31, 2009-None).

18. Property and equipment

The movements of property and equipment and the related accumulated depreciation for the years ended December 31, 2010 and 2009 are as follows:

	December 31, 2009	Additions	Disposals	Transfers	Effect of change in foreign currencies	December 31, 2010
Cost or revalued amount						
Land	70.752	8.907	-	-	-	79.659
Land improvements	1.784	519	-	-	-	2.303
Buildings	118.454	18.351	-	6.759	-	143.564
Machinery and equipment	229.907	37.368	(2.948)	-	(49)	264.278
Vehicles	46.117	11.857	(6.266)	-	(7)	51.701
Furniture and fixtures	95.855	20.055	(503)	-	(13)	115.394
Leasehold improvements	163.617	36.731	(6.463)	-	(64)	193.821
Construction in progress	17	7.045	(253)	(6.759)	-	50
	726.503	140.833	(16.433)	-	(133)	850.770
Less: Accumulated depreciation						
Land improvements	(584)	(365)	-	-	-	(949)
Building	-	(5.767)	-	-	-	(5.767)
Machinery and equipment	(108.804)	(19.371)	1.722	-	5	(126.448)
Vehicles	(22.762)	(8.636)	4.800	-	-	(26.598)
Furniture and fixtures	(62.646)	(13.121)	447	-	2	(75.318)
Leasehold improvements	(52.614)	(16.345)	2.604	-	3	(66.352)
	(247.410)	(63.605)	9.573	-	10	(301.432)
Net book value	479.093					549.338

(Convenience translation of a report and financial statements originally issued in Turkish)
BİM BİRLEŞİK MAĞAZALAR ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2010 (CONTINUED)
(Currency – Thousands of Turkish Lira [TL] unless otherwise indicated.
All other currencies are expressed in full amounts unless otherwise indicated)

	December 31, 2008	Additions	Disposals	Transfers	Net off	Provision for impairment	Revaluation reserve	December 31 2009
Cost or revalued amount								
Land	44.136	22.322	-	-	-	-	4.294	70.752
Land improvements	1.145	660	(21)	-	-	-	-	1.784
Buildings	104.730	24.363	-	453	(8.728)	(802)	(1.562)	118.454
Machinery and equipment	198.219	32.695	(1.156)	149	-	-	-	229.907
Vehicles	42.317	7.186	(3.386)	-	-	-	-	46.117
Furniture and fixtures	85.511	11.479	(1.197)	62	-	-	-	95.855
Leasehold improvements	135.154	32.545	(4.058)	(24)	-	-	-	163.617
Construction in progress	210	447	-	(640)	-	-	-	17
	611.422	131.697	(9.818)	-	(8.728)	(802)	2.732	726.503
Less: Accumulated depreciation								
Land improvements	(319)	(265)	-	-	-	-	-	(584)
Building	(3.854)	(4.874)	-	-	8.728	-	-	-
Machinery and equipment	(92.797)	(16.554)	547	-	-	-	-	(108.804)
Vehicles	(17.172)	(7.964)	2.374	-	-	-	-	(22.762)
Furniture and fixtures	(52.901)	(10.825)	1.080	-	-	-	-	(62.646)
Leasehold improvements	(40.167)	(13.862)	1.415	-	-	-	-	(52.614)
	(207.210)	(54.344)	5.416	-	8.728	-	-	(247.410)
Net book value	404.212							479.093

The land and buildings were revalued and reflected to financial statements with fair value. The book values of such assets were adjusted to the revalued amounts and the resulting surplus net of deferred income tax was credited to revaluation surplus in the equity. The revaluation surplus is not available for distribution to shareholders.

Had the revalued assets been carried at cost less accumulated depreciation, the carrying amounts of land and buildings that would have been included in the financial statements as of December 31, 2010 and December 31, 2009 respectively are as follows:

	Land and buildings	
	December 31, 2010	December 31, 2009
Cost	219.501	185.395
Accumulated depreciation	(17.653)	(12.024)

(Currency – Thousands of Turkish Lira [TL] unless otherwise indicated.
All other currencies are expressed in full amounts unless otherwise indicated)

As of December 31, 2010 and 2009, the gross carrying amount of property and equipment and intangibles, which are fully depreciated, but still in use, is as follows:

	December 31,2010	December 31, 2009
Machinery and equipment	59.446	54.513
Furniture and fixtures	42.307	38.915
Intangible assets and leasehold improvements	21.562	16.561
Vehicles	4.391	3.932
Land improvements	173	173
	127.879	114.094

Pledges and mortgages on assets

As of December 31, 2010 and 2009, there is no a pledge or mortgage on property and equipment of the Group.

19. Intangible assets

The movements of intangible assets and related accumulated amortization for the years ended December 31, 2010 and 2009 are as follows:

	December 31, 2009	Additions	Disposals	Effect of change in foreign currencies	December 31, 2010
Cost					
Rights	8.328	779	-	(3)	9.104
Other intangibles	1.262	102	(1.304)	(29)	31
	9.590	881	(1.304)	(32)	9.135
Accumulated amortization					
Rights	(5.434)	(916)	-	-	(6.350)
Other intangibles	(624)	(316)	901	13	(26)
	(6.058)	(1.232)	901	13	(6.376)
Net book value	3.532				2.759

(Convenience translation of a report and financial statements originally issued in Turkish)
BİM BİRLEŞİK MAĞAZALAR ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2010 (CONTINUED)
(Currency – Thousands of Turkish Lira [TL] unless otherwise indicated.
All other currencies are expressed in full amounts unless otherwise indicated)

	December 31, 2008	Additions	Disposals	December 31, 2009
Cost				
Rights	7.386	942	-	8.328
Other intangibles	329	933	-	1.262
	7.715	1.875	-	9.590
Accumulated amortization				
Rights	(4.603)	(831)	-	(5.434)
Other intangibles	(324)	(300)	-	(624)
	(4.927)	(1.131)	-	(6.058)
Net book value	2.788			3.532

The intangible assets are amortized over estimated useful life which is 5 years.

Major part of the rights is software licenses.

20. Goodwill

None (December 31, 2009-None).

21. Government incentives and grants

Investment incentives

As of December 31, 2010 and 2009, the Group does not have any investment incentive.

22. Provisions, contingent assets and liabilities

Other provisions for accruals

As of December 31, 2010 and 2009, the Group has TL 1.282 and TL 2.873 provisions for telephone, electricity, water and other short term liabilities, respectively.

Litigation against to Group

As of December 31, 2010 and December 31, 2009, the total amount of outstanding lawsuits filed against the Group is TL 9.854 and TL 7.547 in historical terms, respectively. The Group set provisions amounting TL 6.388 and TL 4.400 for the related periods, respectively.

Current year movement of provision for lawsuits is as follows;

	December 31, 2010	December 31, 2009
Beginning	4.400	2.618
Provision amount, net	1.988	1.782
Ending	6.388	4.400

(Currency – Thousands of Turkish Lira [TL] unless otherwise indicated.
All other currencies are expressed in full amounts unless otherwise indicated)

Letter of guarantees, mortgages and pledges given by the Group

As of December 31, 2010 and 2009, breakdown of the guarantees, mortgage and pledges given by the Group is as follows:

	December 31, 2010			
	Total TL equivalent	TL	USD	Euro
A. Total amount of guarantees, pledges and mortgages given in the name of legal entity	12.655	12.269	250.000	-
Guarantee	*12.655*	*12.269*	*250.000*	-
Pledge	-	-	-	-
Mortgage	-	-	-	-
B. Total amount of guarantees, pledges and mortgages given in favor of the parties which are included in the scope of full consolidation	1.970	-	-	961.254
Guarantee	*1.970*	-	-	*961.254*
Pledge	-	-	-	-
Mortgage	-	-	-	-
C. Total amount of guarantees, pledges and mortgages given to third parties for their liabilities in the purpose of conducting the ordinary operations	-	-	-	-
D. Total amount of other guarantees, pledges and mortgages	-	-	-	-
i. Total amount of guarantees, pledges and mortgages given in favor of parent company	-	-	-	-
ii. Total amount of guarantees, pledges and mortgages given in favor of other group companies which are not covered in B and C above	-	-	-	-
iii. Total amount of guarantees, pledges and mortgages given in favor of 3rd parties which are not covered in C above	-	-	-	-
Total	14.625	12.269	250.000	961.254

(Convenience translation of a report and financial statements originally issued in Turkish)
BİM BİRLEŞİK MAĞAZALAR ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2010 (CONTINUED)
(Currency – Thousands of Turkish Lira [TL] unless otherwise indicated.
All other currencies are expressed in full amounts unless otherwise indicated)

	December 31, 2009			
	Total TL equivalent	TL	USD	Euro
A. Total amount of guarantees, pledges and mortgages given in the name of legal entity	1.269	893	250.000	-
Guarantee	*1.269*	*893*	*250.000*	-
Pledge	-	-	-	-
Mortgage	-	-	-	-
B. Total amount of guarantees, pledges and mortgages given in favor of the parties which are included in the scope of full consolidation	1.676	-	-	775.980
Guarantee	*1.676*	-	-	*775.980*
Pledge	-	-	-	-
Mortgage	-	-	-	-
C. Total amount of guarantees, pledges and mortgages given to third parties for their liabilities in the purpose of conducting the ordinary operations	-	-	-	-
D. Total amount of other guarantees, pledges and mortgages	-	-	-	-
i. Total amount of guarantees, pledges and mortgages given in favor of parent company	-	-	-	-
ii. Total amount of guarantees, pledges and mortgages given in favor of other group companies which are not covered in B and C above	-	-	-	-
iii. Total amount of guarantees, pledges and mortgages given in favor of 3rd parties which are not covered in C above	-	-	-	-
Total	2.945	893	250.000	775.980

Insurance coverage on assets

As of December 31, 2010 and 2009, insurance coverage on assets of the Group is TL 538.470 and TL 441.254, respectively.

23. Commitments

As of December 31, 2010 and 2009, the Group has operating lease commitments for each of the following periods:

	December 31, 2010	December 31, 2009
Later than one year and not later than five years	41	108
Later than five years	22	28

24. Employee termination benefits

Reserve for employee termination benefits

In accordance with existing social legislation, the Company is required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. In Turkey, such payments are calculated on the basis of 30 days' pay (limited to a maximum of historical TL 2.517 (full TL) and TL 2.365 (full TL) at December 31, 2010 and 2009, respectively) per year of employment at the rate of pay applicable at the date of retirement or termination. The cost of providing those benefits is accrued over the employees' service period. The Group accounts for the employee termination benefits in accordance with the provisions of IAS 19 including the application of actuarial methods and assumptions by professional actuaries. Actuarial gains and losses, as long as the cumulative unrecognized portion exceeds 10% of the present value of defined benefit obligation, are recognized in the statement of comprehensive income over the average remaining working lives of employees. Reserve for employee termination benefits are calculated as of December 31, 2010 and 2009.

Maximum limit of retirement pay is raised to TL 2.623 (full TL) from TL 2.517 (full TL) as of January 1, 2011.

(Currency – Thousands of Turkish Lira [TL] unless otherwise indicated.
All other currencies are expressed in full amounts unless otherwise indicated)

The following tables summarize the components of net benefit expense recognized in the comprehensive statement of income and amounts recognized in the balance sheet:

	January 1 – December 31, 2010	January 1 – December 31, 2009
Current service cost (Note 30)	2.651	1.778
Financial expense of employee termination benefit	1.132	777
Actuarial loss	125	-
Total expense	3.908	2.555

Provision for employee termination benefits:	January 1 – December 31, 2010	January 1 – December 31, 2009
Defined benefit obligation	17.831	10.429
Unrecognized actuarial gains	(8.308)	(2.862)
	9.523	7.567

Changes in the carrying value of defined benefit obligation are as follows:

	January 1 – December 31, 2010	January 1 – December 31, 2009
Beginning balance	10.429	6.629
Financial expense of employee termination benefit	1.132	777
Current service cost	2.651	1.778
Benefits paid	(1.952)	(1.337)
Actuarial (gain)/loss	5.571	2.582
Balance at period end	17.831	10.429

The principal actuarial assumptions used at each balance sheet date are as follows:

	December 31, 2010	December 31, 2009
Discount rate	%10	%11
Expected rate of salary/limit increases	%5,1	%4,8

25. Employee pension plans

None (December 31, 2009-None).

(Convenience translation of a report and financial statements originally issued in Turkish)
BİM BİRLEŞİK MAĞAZALAR ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2010 (CONTINUED)
(Currency – Thousands of Turkish Lira [TL] unless otherwise indicated.
All other currencies are expressed in full amounts unless otherwise indicated)

26. Other assets and liabilities

a) Other current assets

	December 31, 2010	December 31, 2009
Advances given	18.773	18.402
Prepaid expenses	6.474	5.694
VAT receivable	3.296	1.826
Other	219	438
	28.762	26.360

b) Other non-current assets

	December 31, 2010	December 31, 2009
Advances given for tangible asset purchases	1.881	1.724
Deposits and advances given	2.501	1.920
Other	455	1.282
	4.837	4.926

c) Other short-term liabilities

	December 31, 2010	December 31, 2009
Income tax and social security taxes payable	7.472	6.343
VAT payable	5.901	6.317
Other tax and funds payable	8.855	7.165
Other	1.031	901
	23.259	20.726

As of December 31, 2010 and 2009, the Group does not have any other long-term liability.

(Currency – Thousands of Turkish Lira [TL] unless otherwise indicated.
All other currencies are expressed in full amounts unless otherwise indicated)

27. Shareholders' equity

a) Share capital and capital reserves

As of December 31, 2010 and 2009, the breakdown of shareholders and their ownership percentages in the Company (all in historical terms) are summarized as follows:

	December 31, 2010		December 31, 2009	
	Historical amount	%	Historical amount	%
Mustafa Latif Topbaş	27.266	18,0	14.133	18,6
Abdulrahman A. El Khereiji	20.623	13,6	10.311	13,6
Ahmet Afif Topbaş	12.771	8,4	5.886	7,8
Zuhair Fayez	5.990	3,9	2.994	3,9
Firdevs Çizmeci	1.800	1,2	900	1,2
Ömer Hulusi Topbaş	180	0,1	90	0,1
Publicly traded	83.170	54,8	41.586	54,8
	151.800	100	75.900	100

The Company's share capital is fully paid and consists of 151.800.000 (December 31, 2009 – 75.900.000) shares of TL 1 nominal value.

As decided at the General Assembly meeting held on April 22, 2010, the Group has increased paid in share capital from inflation adjustment on paid-in share capital amounting to TL 6.956 and from retained earning amounting to TL 68.994 with a total of TL 75.900 and paid in share capital reached to TL 151.800.

Revaluation fund

As of December 31, 2010, Group has revaluation surplus amounting TL 15.704 (December 31, 2009 – TL 15.704) related to revaluation of land and buildings. The revaluation surplus is not available for distribution to shareholders.

Inflation adjustment on equity items

As of December 31, 2010 inflation adjustment on paid-in share capital amounting to TL 6.956 is used in free share capital increase. As of December 31, 2009 inflation adjustment on equity items amounting TL 6.956 is related with inflation adjustment on paid-in share capital as of December 31, 2004.

b) Restricted reserves allocated from profits/prior year profits

The legal reserves consist of first and second legal reserves, per the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of net statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's historical paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the historical paid-in share capital. Under TCC, the legal reserves are not available for distribution unless they exceed 50% of the historical paid-in share capital but may be used to offset losses in the event that historical general reserve is exhausted.

The statutory accumulated profits and statutory current year profit are available for distribution, subject to the reserve requirements referred to above and Turkish Capital Market Board (CMB) requirements related to profit distribution.

(Convenience translation of a report and financial statements originally issued in Turkish)
BİM BİRLEŞİK MAĞAZALAR ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2010 (CONTINUED)
(Currency – Thousands of Turkish Lira [TL] unless otherwise indicated.
All other currencies are expressed in full amounts unless otherwise indicated)

Listed companies are subject to dividend requirements regulated by the Turkish Capital Market Board as follows:

In accordance with the Capital Market Board decision number 1/6 dated January 9, 2009, 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 No:XI-29 "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 soon as these distributable profits can be funded by the reserves in the statutory accounts of the companies.

In accordance with the Capital Market Board decision in January 27, 2010, it is decided that there is no dividend distribution requirements for the listed companies whose shares are traded on the stock exchange.

Inflation adjustment to shareholders' 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.

As of December 31, 2010 and 2009 legal reserves, prior year profits and net income for the period in statutory accounts of the Company are as follows:

	December 31, 2010	December 31, 2009
Legal reserves	51.599	34.072
Prior year profits	5.826	9.023
Net income for the period	247.865	216.098
	305.290	259.193

Net profit per the Company's statutory books is TL 247.865 and net profit per consolidated financial statements in accordance with CMB accounting standards is TL 245.640. As of the report date, the Company has not yet decided to distribute dividends related with 2010 profit.

Dividend paid

As decided at the Ordinary General Assembly meeting of 2009, the Group has distributed dividend from 2009 profit amounting to TL 132.825 on May 18, 2010.

28. Sales and cost of sales

a) Net sales

The Group's net sales for the years ended December 31, 2010 and 2009 are as follows:

	January 1 - December 31, 2010	January 1 - December 31, 2009
Sales	6.597.614	5.343.457
Sales return (-)	(23.663)	(20.067)
	6.573.951	5.323.390

(Currency – Thousands of Turkish Lira [TL] unless otherwise indicated.
All other currencies are expressed in full amounts unless otherwise indicated)

b) Cost of sales

	January 1 - December 31, 2010	January 1 - December 31, 2009
Beginning inventory	255.527	229.342
Purchases	5.546.540	4.404.686
Ending inventory (-)	(332.795)	(255.527)
	5.469.272	4.378.501

29. Selling, marketing and distribution and general and administrative expenses

a) Selling, marketing and distribution expenses

	January 1 - December 31, 2010	January 1 - December 31, 2009
Personnel expenses	301.958	252.716
Rent expenses	176.154	149.613
Depreciation and amortization expenses	58.800	49.679
Water, electricity and communication expenses	50.991	45.843
Packaging expenses	32.155	25.352
Advertising expenses	21.621	17.610
Trucks fuel expense	21.992	15.993
Maintenance and repair expenses	16.465	14.639
Provision for employee termination benefit	2.064	1.469
Other selling and marketing expenses	26.605	21.078
	708.805	593.992

b) General and administrative expenses

	January 1 - December 31, 2010	January 1 - December 31, 2009
Personnel expenses	67.052	59.464
Depreciation and amortization expenses	6.037	5.796
Money collection expenses	4.083	3.522
Legal and consultancy expenses	3.321	2.787
Motor vehicle expenses	4.702	3.786
Communication expenses	941	1.024
Office supplies expenses	590	496
Provision for employee termination benefits	587	309
Other general and administrations expenses	17.045	15.004
	104.358	92.188

(Convenience translation of a report and financial statements originally issued in Turkish)
BİM BİRLEŞİK MAĞAZALAR ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2010 (CONTINUED)
(Currency – Thousands of Turkish Lira [TL] unless otherwise indicated.
All other currencies are expressed in full amounts unless otherwise indicated)

30. Expenses as to nature

a) Depreciation and amortization expenses

	January 1 - December 31, 2010	January 1 - December 31, 2009
Selling, marketing and distribution expenses	58.800	49.679
General and administrative expenses	6.037	5.796
	64.837	55.475

b) Personnel expenses

	January 1 - December 31, 2010	January 1 - December 31, 2009
Wages and salaries	321.849	272.659
Provision for employee termination benefits (Note 24)	2.651	1.778
Social security premiums-employer contribution	47.161	39.521
	371.661	313.958

31. Other operating income and expense

a) Other operating income

	January 1 - December 31, 2010	January 1 - December 31, 2009
Gain on sale of scrap materials	4.239	3.198
Other income	7.014	6.931
	11.253	10.129

b) Other operating expense

	January 1 - December 31, 2010	January 1 - December 31, 2009
Loss on sale of property and equipment	2.190	2.145
Provision for impairment of property and equipment	-	802
Provision expenses	2.239	1.917
Other expense	2.675	1.599
	7.104	6.463

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32. Financial income

	January 1 - December 31, 2010	January 1 - December 31, 2009
Financial income		
Income on profit share account-deposits	12.479	7.346
Foreign exchange gains	1.514	562
Total financial income	13.993	7.908

33. Financial expenses

	January 1 - December 31, 2010	January 1 - December 31, 2009
Financial expense		
Finance charge on employee termination benefit	1.257	777
Banking charges	-	494
Foreign exchange losses	1.749	405
Other financial expense	651	36
Total financial expenses	3.657	1.712

34. Asset held for sale and discontinued operations

None (December 31, 2009-None).

35. Tax assets and liabilities

As of December 31, 2010 and 2009, provision for taxes of the Group is as follows:

	December 31,2010	December 31, 2009
Current period tax provision	62.628	54.777
Prepaid taxes	(46.912)	(43.143)
Corporate tax payable	15.716	11.634

In Turkey, as of December 31, 2010 corporate tax rate is 20% (December 31, 2009- 20%). Corporate tax returns are required to be filed by the twenty-fifth day of the fourth month following the balance sheet date and taxes must be paid in one installment by the end of the fourth month. The tax legislation provides for a temporary tax of 20% to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the year.

In Morocco, as of December 31, 2010 the corporate tax rate is %30 (December 31, 2009-%30) where the consolidated subsidiary of the Company, BIM Stores SARL operates.

Corporate tax losses can be carried forward for a maximum period of 5 years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

15% withholding applies to dividends distributed by resident corporations resident real persons except for, those who are not liable to income and corporation tax, non-resident real persons, non-resident corporations. Dividend distribution by resident corporations to resident corporations is not subject to a withholding tax. Furthermore, in the event the profit is not distributed or included in capital, no withholding tax shall be applicable.

(Convenience translation of a report and financial statements originally issued in Turkish)
BİM BİRLEŞİK MAĞAZALAR ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2010 (CONTINUED)
(Currency – Thousands of Turkish Lira [TL] unless otherwise indicated.
All other currencies are expressed in full amounts unless otherwise indicated)

As of December 31, 2010 and 2009, temporary differences based for deferred tax and deferred tax asset/liability calculated by using applicable tax rates are as follows:

	Balance sheet		Comprehensive income statement	
	December 31, 2010	December 31, 2009	January 1- December 31, 2010	January 1- December 31, 2009
Deferred tax liability				
Restatement effect on non-monetary items in accordance with IAS 29	13.989	15.192	(1.203)	1.786
Deferred tax asset				
Reserve for employee termination benefit	(1.860)	(1.500)	(360)	(230)
Other adjustments	(3.435)	(2.731)	(704)	(802)
Deferred tax	8.694	10.961	(2.267)	754

Deferred tax is presented in financial statements as follows:

	December 31, 2010	December31, 2009
Deferred tax asset	349	-
Deferred tax liability	(9.043)	(10.961)
Net tax liability	(8.694)	(10.961)

Movement of net deferred tax liability for the years ended December 31, 2010 and 2009 is presented as follows:

	January 1- December 31, 2010	January 1- December 31, 2009
Opening balance	10.961	10.207
Deferred tax expense/(income) recognized in statement of comprehensive income	(2.267)	852
Deferred tax credit recognized in revaluation surplus	-	(98)
Balance at the end of period	8.694	10.961

Tax reconciliation

	January 1- December 31, 2010	January 1- December 31, 2009
Net income before tax	306.001	268.571
Corporation tax at effective tax rate of 20%	(61.200)	(53.714)
Disallowable expenses	(598)	(650)
Effect of non-tax deductible and tax exempt items	68	52
Tax rate effect of the consolidated subsidiary	(116)	-
Other	1.485	(1.317)
Provision for taxes	(60.361)	(55.629)
- Current	(62.628)	(54.777)
- Deferred	2.267	(852)

(Currency – Thousands of Turkish Lira [TL] unless otherwise indicated.
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36. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the period by the weighted average number of ordinary shares outstanding during the period. All shares of the Company are in same status.

The movements of number of shares as of December 31, 2010 and June 30, 2009 are as follows;

Number of shares	December 31, 2010	December 31, 2009
Beginning of the period	75.900.000	75.900.000
Number of free shares issued by using internal sources	75.900.000	-
Period end	151.800.000	75.900.000

As decided at the General Assembly meeting held on April 22, 2010, the Group has finalized the distribution of dividend amounting to gross TL 132.825 (1,75 (full TL) per share) and distribution of free share capital amounting to TL 75.900 at nominal value as of report period.

Ordinary shares outstanding increases as a result of bonus issue registered on April 22, 2010 adjusted retrospectively to the December 31, 2009 number of ordinary shares.

	January 1- December 31, 2010	January 1- December 31, 2009
Earnings per share		
Average number of stocks during the year	151.800.000	151.800.000
Net profit of the year	245.640	212.942
Profit per share (full TL)	1,618	1,403

(Convenience translation of a report and financial statements originally issued in Turkish)
BİM BİRLEŞİK MAĞAZALAR ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2010 (CONTINUED)
(Currency – Thousands of Turkish Lira [TL] unless otherwise indicated.
All other currencies are expressed in full amounts unless otherwise indicated)

37. Related party disclosures

a) Due to related parties

Due to related parties balances as of December 31, 2010 and 2009 are as follows:

Payables related to goods and services received

	December 31, 2010	December 31, 2009
Ak Gıda A.Ş. (Ak Gıda) (1)	58.121	50.939
Başak Gıda Dağıtım ve Pazarlama A.Ş. (Başak) (1)	19.060	14.089
Hedef Tüketim Ürünleri San ve Dış Tic. A.Ş.(Hedef) (1)	7.915	6.283
Turkuvaz Plastik ve Tem. Ürün. Tic.A.Ş (Turkuvaz) (1)(**)	4.034	3.462
Marsan Gıda San. ve Tic. A.Ş. (Marsan) (1)	3.552	2.281
Esas Paz. ve Tic.A.Ş (Esas) (1)(**)	3.352	2.451
Natura Gıda Sanayi ve Ticaret A.Ş. (Natura) (1)	674	998
Seher Gıda Paz. San. ve Tic. A.Ş. (Seher) (1)	390	353
Bahar Su Sanayi ve Tic.A.Ş (Bahar Su) (1)	267	-
Teközel Gıda Tem.Sağ.Mar.Ltd. Şti (Teközel) (1) (*)	-	29.874
Bahariye Tekstil San. Tic. A.Ş.(1)	-	9
	97.365	110.739

(1) Companies owned by shareholders of the Company

(*) Delisted from related parties as of April 1, 2010
(**) For the purpose of consistent presentation of the financial statements as of December 31, 2009 compared to financial statements as of December 31, 2010, "Other trade payables" amounting to TL 5.913 has been classified to "Due to related parties".

b) Related party transactions

For the years ended December 31, 2010 and 2009, summary of the major transactions with related parties are as follows:

(i) Purchases from related parties during the periods ended December 31, 2010 and 2009 are as follows:

	January 1- December 31, 2010	January 1- December 31, 2009
Ak Gıda (1)	465.403	395.454
Başak (1)	175.766	138.624
Teközel (1) (*)	50.706	165.713
Esas (1)	41.735	32.242
Natura (1)	40.102	25.351
Hedef (1)	40.009	23.375
Turkuvaz (1)	25.087	10.614
Marsan (1)	17.663	12.979
Seher (1)	1.893	1.297
Bahar Su (1)	1.121	-
Bahariye (1)	991	2.178
	860.476	807.827

(1) Companies owned by shareholders of the Company

(*) Delisted from related parties starting from April 1, 2010, represents the purchase amount made between January 1, 2010 and April 1, 2010.

(Currency – Thousands of Turkish Lira [TL] unless otherwise indicated.
All other currencies are expressed in full amounts unless otherwise indicated)

(ii) For the years ended December 31, 2010 and 2009 salaries, bonuses and compensations provided to board of directors and key management comprising of 77 and 68 personnel, respectively, are as follows:

	January 1- December 31, 2010	January 1- December 31, 2009
Short-term benefits	16.259	15.950
Long-term defined benefits	763	449
Total benefits	17.022	16.399

iii) For the years ended December 31, 2010 and 2009 the Company received service from the related party, Proline Bilişim Sistemleri ve Ticaret A.Ş. amounting TL 826 and TL 432, respectively.

38. Nature and level of risks arising from financial instruments

The Group is exposed to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and profit share rates. These risks are market risk (including foreign currency risk and profit share rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

The Group's principal financial instruments comprise cash and short-term bank loans. The main purpose of using these financial instruments is to raise finance for the Group's operations. The Group has other financial instruments such as trade receivables and payables which arise directly from its operations. The Group manages its capital through cash provided by its operations and review of the maturities of the trade payables.

Price risk

Price risk is a combination of foreign currency, profit share and market risk. The Group naturally manages its price risk by matching the same foreign currency denominated receivable and payables and assets and liabilities bearing profit share. The Group closely monitors its market risk by analyzing the market conditions and using appropriate valuation methods.

Profit share rate risk

The Group does not have material profit share rate sensitive asset. The Group's income and cash flows from operations are independent from profit share rate risk.

The Group's profit share rate risk mainly comprises of outstanding short-term borrowings in the prior period. The Group's forthcoming loans in order to continue its operating activities are effected from forthcoming profit share ratios.

Profit share rate position table

According to IFRS 7 "Financial Assets", the profit share rate position of the Group is as follows:

Profit share position table		Current period	Prior period
	Fixed-profit share bearing financial instruments		
Financial assets	Financial assets at fair value through profit/loss	185.741	111.692
	Available for sale financial assets	-	-
Financial liabilities		-	-
	Variable profit share bearing financial instruments		
Financial assets		-	-
Financial liabilities		-	-

(Convenience translation of a report and financial statements originally issued in Turkish)
BİM BİRLEŞİK MAĞAZALAR ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2010 (CONTINUED)
(Currency – Thousands of Turkish Lira [TL] unless otherwise indicated.
All other currencies are expressed in full amounts unless otherwise indicated)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Since the Group is engaged in the retail sector and transactions are mainly on a cash basis or has 1 month maturity credit card collections, the exposure to credit and price risk is minimal.

Credit risk table (Current period)

	Credit card receivable		Bank deposits	
	Related party	Other party	Related party	Other Party
Maximum credit risk exposures as of report date	-	191.481	-	207.672
Maximum risk secured by guarantees	-	-	-	-
A. Net book value of financial assets neither overdue nor impaired	-	191.481	-	207.672

Credit risk table (Prior period)

	Credit card receivable		Bank deposits	
	Related party	Other party	Related party	Other party
Maximum credit risk exposures as of report date	-	160.905	-	129.164
Maximum risk secured by guarantees	-	-	-	-
A. Net book value of financial assets neither overdue nor impaired	-	160.905	-	129.164

(Currency – Thousands of Turkish Lira [TL] unless otherwise indicated.
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Since the Company does not have material assets and liabilities denominated in foreign currency, the Company does not use derivative instruments or forward contracts for hedging foreign currency risks.

Foreign currency position

As of December 31, 2010 and 2009, the Group's foreign currency position is as follows:

		December 31, 2010			December 31,2009		
		TL equivalent (functional currency)	USD	EUR	TL equivalent (functional currency)	USD	EUR
1.	Trade receivables	-	-	-	-	-	-
2a.	Monetary financial assets (including cash, bank accounts)	59	8.501	22.167	9	1.171	3.204
2b.	Non-monetary financial assets	-	-	-	-	-	-
3.	Other	39	23.600	1.278	12	6.100	1.278
4.	Current assets (1+2+3)	98	32.101	23.445	21	7.271	4.482
5.	Trade receivables	-	-	-	-	-	-
6a.	Monetary financial assets	-	-	-	-	-	-
6b.	Non-monetary financial assets	-	-	-	-	-	-
7.	Other	-	-	-	-	-	-
8.	Non-current assets (5+6+7)	-	-	-	-	-	-
9.	Total assets(4+8)	98	32.101	23.445	21	7.271	4.482
10.	Trade payables	-	-	-	-	-	
11.	Financial liabilities	-	-	-	-	-	-
12a.	Monetary other liabilities	92	59.242	-	213	141.532	-
12b.	Non-monetary other liabilities	-	-	-	-	-	-
13.	Current liabilities (10+11+12)	92	59.242	-	213	141.532	-
14.	Trade payables	-	-	-	-	-	-
15.	Financial liabilities	-	-	-	-	-	-
16a.	Monetary other liabilities	-	-	-	-	-	-
16b.	Non-monetary other liabilities	-	-	-	-	-	-
17.	Non-current liabilities (14+15+16)	-	-	-	-	-	-
18.	Total liabilities (13+17)	92	59.242	-	213	141.532	4.482
19.	Net asset/(liability) position of off-balance sheet derivative instruments(19a-19b)	-	-	-	-	-	-
19a.	Hedged total assets amount	-	-	-	-	-	-
19b.	Hedged total liabilities amount	-	-	-	-	-	-
20.	Net foreign currency asset/(liability) position (9+18+19)	7	(27.141)	23.445	(192)	(134.261)	4.482
21.	Net foreign currency asset/(liability) position of monetary items (=1+2a+5+6a-10-11-12a-14-15-16a)	7	(27.141)	23.445	(192)	(134.261)	4.482
22.	Total fair value of financial instruments used for foreign currency hedging	-	-	-	-	-	-
23.	Export	-	-	-	-	-	-
24.	Import	-	-	-	-	-	-

(Convenience translation of a report and financial statements originally issued in Turkish)
BİM BİRLEŞİK MAĞAZALAR ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2010 (CONTINUED)
(Currency – Thousands of Turkish Lira [TL] unless otherwise indicated.
All other currencies are expressed in full amounts unless otherwise indicated)

Exchange rate risk

The following table demonstrates the sensitivity to a possible change of 10% in the U.S Dollar and Euro exchange rates, with all other variables held constant, of the Group's profit before tax as of December 31, 2010 and 2009:

	December 31, 2010	Exchange rate sensitivity analysis	
			Current Year
		Profit/loss	Profit/loss
		Increase in exchange rate	Decrease in exchange rate
	Increase of 10% in value of U.S Dollar against TL:		
1-	U.S Dollar net asset/(liability)	(4)	4
2-	Protected part from U.S Dollar risk (-)	-	-
3-	U.S Dollar net effect (1+2)	(4)	4
	Increase of 10% in value of Euro against TL:		
4-	Euro net asset/(liability)	5	(5)
5-	Protected part from Euro risk (-)	-	-
6-	Euro net effect (4+5)	5	(5)
	Total (3+6)	1	(1)

	December 31, 2009	Exchange rate sensitivity analysis	
			Previous Year
		Profit/loss	Profit/loss
		Increase in exchange rate	Decrease in exchange rate
	Increase of 10% in value of U.S Dollar against TL:		
1-	U.S Dollar net asset/(liability)	(20)	20
2-	Protected part from U.S Dollar risk (-)	-	-
3-	U.S Dollar net effect (1+2)	(20)	20
	Increase of 10% in value of Euro against TL:		
4-	Euro net asset/(liability)	1	(1)
5-	Protected part from Euro risk (-)	-	-
6-	Euro net effect (4+5)	1	(1)
	Total (3+6)	(19)	19

(Currency – Thousands of Turkish Lira [TL] unless otherwise indicated.
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Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

The ability to fund existing and prospective debt requirements is managed by maintaining the availability of adequate committed funding lines from high quality lenders.

As of December 31, 2010 and 2009, maturities of undiscounted trade payables and financial liabilities are as follows:

December 31, 2010						
Contractual maturities	Book value	Total cash outflow	Less than 3 months	Between 3-12 months	Between 1-5 year	More than 5 years
Non derivative financial liabilities						
Bank borrowings	7.662	7.662	7.662	-	-	-
Trade payables	701.398	706.032	706.032	-	-	-
Due to related parties	97.365	98.015	98.015	-	-	-

December 31, 2009						
Contractual maturities	Book value	Total cash outflow	Less than 3 months	Between 3-12 months	Between 1-5 year	More than 5 year
Bank borrowings	-	-	-	-	-	-
Trade payables	542.706	546.350	546.350	-	-	-
Due to related parties	110.739	111.438	111.438	-	-	-

39. Financial instruments (fair value disclosures and disclosures in the frame of hedge accounting)

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

The Group considers that carrying amounts reflect fair values of the financial instruments.

Financial assets

The fair values of certain financial assets carried at cost including cash and cash equivalents profit share accruals and other short term financial assets are considered to approximate their respective carrying values due to their short-term nature. The carrying value of trade receivables along with the related allowance for unearned income and uncollectibility are estimated to be their fair values.

Financial liabilities

Financial liabilities of which fair values approximate their carrying values:

Fair values of trade payables and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. The bank borrowings are stated at their amortized costs and transaction costs are included in the initial measurement of loans and bank borrowings. The fair value of bank borrowings with variable rates are considered to approximate their respective carrying values since the profit share rate applied to bank loans and borrowings are updated periodically by the lender to reflect active market price quotations. The carrying value of trade payables along with the related allowance for unrealized cost is estimated to be their fair values.

40. Subsequent events

None.

41. Other matters that significantly affect financial statements or are necessary for openness, interpretability and clearness of the financial statements

There is no other matters having significant impact on or requiring explanation in order to provide the clarity, interpretability and perceptibility of the financial statements as of December 31, 2010 and 2009.

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