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ANNUAL REPORT 2012

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Trade Name: BİM Birleşik Mağazalar A.Ş.
Report Period: 2012
Trade Registry Nr: 334499/282081
Website: www.bim.com.tr
Capital: TL 151,800,000

BİM Birleşik Mağazalar Anonim Şirketi

Consolidated financial statements
at December 31, 2012 together with
Independent auditors' report

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[Convenience translation of a report and financial statements originally issued in Turkish]

Independent auditor's report on the consolidated financial statements
for the year ended December 31, 2012

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 subsidiaries [together will be referred to as "the Group"] as of December 31, 2012 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 Markets Board of 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 auditor's 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 Group'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 Group 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 Group'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 consolidated financial statements present fairly the financial position of BİM Birleşik Mağazalar Anonim Şirketi and its subsidiaries as at December 31, 2012 and their financial performance and cash flows for the year then ended in accordance with financial reporting standards published by the Capital Markets Board of Turkey.

Additional paragraph for convenience translation to English :

As at December 31, 2012, the accounting principles described in Note 2 [defined as CMB Financial Reporting Standards] to the accompanying consolidated 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 consolidated 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

Ethem Kutucular, SMMM
Partner

5 March 2013
Istanbul, Turkey

[Convenience translation of a report and financial statements originally issued in Turkish]

BİM Birleşik Mağazalar Anonim Şirketi and its Subsidiaries

Consolidated balance sheet as at December 31, 2012

[Currency – Thousands of Turkish Lira]

Assets

		Current period	Prior period
		December	December
	Notes	31, 2012	31, 2011
		Audited	Audited
Current assets		1.257.369	1.074.495
Cash and cash equivalents	4	388.222	364.565
Trade receivables	7	314.148	270.985
Inventories	8	483.584	404.643
Other current assets	13	71.415	34.302
Non-current assets		876.018	658.219
Financial investments	5	12.590	-
Property and equipment	9	851.413	648.075
Intangible assets	10	3.152	2.803
Deferred tax asset	21	392	481
Other non-current assets	13	8.471	6.860
Total assets		2.133.387	1.732.714

The accompanying policies and explanatory notes on pages 47 through 75 form an integral part of the consolidated financial statements.

[Convenience translation of a report and financial statements originally issued in Turkish]

BİM Birleşik Mağazalar Anonim Şirketi and its Subsidiaries

Consolidated balance sheet as at December 31, 2012

[Currency – Thousands of Turkish Lira]

Liabilities and equity

		Current period	Prior period
		December	December
		31, 2012	31, 2011
	Notes	Audited	Audited
Current liabilities		1.288.960	1.093.270
Financial liabilities	6	10.448	-
Trade payables			
- Due to related parties	23	171.885	129.739
- Other trade payables	7	1.026.151	890.253
Other current liabilities	13	42.549	45.602
Income tax payable	21	22.697	18.074
Provisions	11	15.230	9.602
Non-current liabilities		31.421	23.292
Reserve for employee termination benefits	12	15.468	12.648
Deferred tax liability	21	15.953	10.644
Equity		813.006	616.152
Equity attributable to parent		813.006	616.152
Paid-in share capital	14	151.800	151.800
Revaluation surplus	9, 14	78.323	15.704
Currency translation difference		[158]	[412]
Restricted reserves assorted from profits	14	103.211	81.449
Prior year profits		148.509	68.701
Net income for the period		331.321	298.910
Total liabilities and equity		2.133.387	1.732.714

The accompanying policies and explanatory notes on pages 47 through 75 form an integral part of the consolidated financial statements.

[Convenience translation of a report and financial statements originally issued in Turkish]

BİM Birleşik Mağazalar Anonim Şirketi and its Subsidiaries

Consolidated statement of comprehensive income

for the year ended December 31, 2012

[Currency – Thousands of Turkish Lira]

		Current period January 1, 2012 - December 31, 2012	Geçmiş Dönem January 1, 2011 - December 31, 2011
	Notes	Audited	Audited
Continuing operations			
Net sales	15	9.906.367	8.189.135
Cost of sales [-]	15	(8.347.153)	(6.879.805)
Gross profit		1.559.214	1.309.330
Marketing, selling and distribution expenses [-]	16	(1.015.053)	(834.401)
General and administrative expenses [-]	16	(146.509)	(123.740)
Other operating income	18	13.598	12.599
Other operating expenses [-]	18	(3.294)	(4.414)
Operating profit		407.956	359.374
Financial income	19	17.350	21.051
Financial expenses [-]	20	(5.822)	(2.686)
Net income before taxes from continuing operations		419.484	377.739
Tax expense for continuing operations			
- Current tax expense for the period [-]	21	(87.268)	(77.293)
- Deferred tax income/(expense)	21	(895)	(1.536)
Net income		331.321	298.910
Other comprehensive income			
Revaluation of lands and buildings		62.619	-
Currency Translation Difference		254	(1.030)
Other comprehensive income [after tax]		62.873	(1.030)
Total comprehensive income		394.194	297.880
Profit for the period attributable to			
Share of the parent		331.321	298.910
Non-controlling interest		-	-
Total comprehensive income attributable to			
Share of the parent		394.194	297.880
Non-controlling 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)	22	2,183	1,969

The accompanying policies and explanatory notes on pages 47 through 75 form an integral part of the consolidated financial statements.

[Convenience translation of a report and financial statements originally issued in Turkish]

BİM Birleşik Mağazalar Anonim Şirketi and its Subsidiaries

Consolidated statement of changes in equity for the year ended December 31, 2012

[Currency – Thousands of Turkish Lira]

	Paid-in share capital	Revaluation surplus	Currency translation difference	Restricted reserves assorted from profits	Prior year profits	Net income for the period	Total equity
December 31, 2010	151.800	15.704	618	51.599	35.071	245.640	500.432
Transfer to prior year profits	-	-	-	-	245.640	[245.640]	-
Transfer to restricted reserves assorted from profits	-	-	-	29.850	[29.850]	-	-
Dividends paid	-	-	-	-	[182.160]	-	[182.160]
Net income for the period	-	-	-	-	-	298.910	298.910
Other comprehensive income	-	-	[1.030]	-	-	-	[1.030]
Total comprehensive income	-	-	[1.030]	-	-	298.910	297.880
December 31, 2011	151.800	15.704	[412]	81.449	68.701	298.910	616.152
Transfer to prior year profits	-	-	-	-	298.910	[298.910]	-
Transfer to restricted reserves assorted from profits	-	-	-	21.762	[21.762]	-	-
Dividends paid [Note 14]	-	-	-	-	[197.340]	-	[197.340]
Net income for the period	-	-	-	-	-	331.321	331.321
Other comprehensive income	-	62.619	254	-	-	-	62.873
Total comprehensive income	-	62.619	254	-	-	331.321	394.194
December 31, 2012	151.800	78.323	[158]	103.211	148.509	331.321	813.006

The accompanying policies and explanatory notes on pages 47 through 75 form an integral part of the consolidated financial statements.

[Convenience translation of a report and financial statements originally issued in Turkish]

BİM Birleşik Mağazalar Anonim Şirketi and its Subsidiaries

Consolidated statement of cash flow for the year ended December 31, 2012

[Currency – Thousands of Turkish Lira]

		Current period January 1, 2012- December 31, 2012 Audited	Prior period January 1, 2011- December 31, 2011 Audited
	Notes		
Cash flows from operating activities			
Profit before tax		419.484	377.739
Adjustments to reconcile profit before tax to net cash provided by operating activities:			
Depreciation and amortization	9, 10, 17	93.552	76.980
Profit share income from deposit accounts	19	(14.535)	(15.281)
Provision for doubtful receivable, net	7	(347)	18
Financial expense and actuarial loss of employee termination benefit	12	2.950	2.200
Increase provision for employee termination benefit	12,17	4.773	4.015
(Gain)/loss on sale of tangible and intangible fixed assets	18	(568)	53
Provision for impairment on tangible assets	9,18	1.120	-
(Gain)/loss on sale of available for sale financial assets	19	(2.654)	-
Provisions, net		5.628	1.543
Dividend received		(2.660)	-
Provision / [reversal] for impairment on trade goods		(627)	821
Operating income before working capital changes		506.116	448.088
Net working capital changes in			
Trade receivables		(42.816)	(78.550)
Inventories		(78.314)	(69.466)
Other current assets		(37.113)	(5.540)
Other non-current assets		(421)	41
Other trade payables		135.898	188.855
Due to related parties		42.146	32.374
Other current liabilities		(3.053)	22.343
Income taxes paid		(82.644)	(74.935)
Employee termination benefit paid	12	(4.903)	(2.701)
Net cash generated by operating activities		434.896	460.509
Cash flows from investing activities			
Purchase of property and equipment	9	(238.310)	(179.434)
Purchase of intangibles	10	(1.556)	(1.153)
Advances given for purchase of property and equipment		(1.190)	(2.064)
Proceeds from sale of property and equipment and intangibles		8.517	6.978
Profit share received from deposit accounts		17.244	11.861
Changes in financial assets available for sale		(9.936)	-
Dividend received		2.660	-
Net cash used in investing activities		(222.571)	(163.812)
Cash flows from financing activities			
Dividends paid	14	(197.340)	(182.160)
Proceeds from bank borrowings	6	10.448	-
Repayment of bank borrowings	6	-	(7.662)
Net cash used in financing activities		(186.892)	(189.822)
Currency translation differences		933	(3.302)
Increase in cash and cash equivalents		26.366	103.573
Cash and cash equivalents at the beginning of the year		360.592	257.019
Cash and cash equivalents at the end of the year	4	386.958	360.592

The accompanying policies and explanatory notes on pages 47 through 75 form an integral part of the consolidated financial statements.

[Convenience translation of a report and financial statements originally issued in Turkish]

BİM Birleşik Mağazalar Anonim Şirketi and its Subsidiaries

Notes to the consolidated financial statements as of December 31, 2012

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

1. Organization and nature of operations of the Group

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 Group is Ebubekir Cad. No: 73 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, 2012.

The Company established a new company named BIM Stores LLC on July 24, 2012 with 100% ownership in Egypt which is engaged in hard discount retail sector and is in the process of opening the first store in Egypt. BIM Stores LLC financial statements are consolidated by using the full consolidation method as of December 31, 2012. Hereinafter, the Company and its consolidated subsidiaries 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 5, 2012 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, 2012 and 2011, the average number of employees in accordance with their categories is shown below:

	January 1 - December 31, 2012	January 1 - December 31, 2011
Office personnel	1.415	1.393
Warehouse personnel	2.302	2.050
Store personnel	17.205	15.272
Total	20.922	18.715

2. Basis of preparation of financial statements

Basis of preparation

The Group 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. Subsidiaries operating in foreign countries maintain their books of account in the currencies of those countries and prepare their statutory financial statements in accordance with the legislation effective in those countries.

The financial statements of the Group 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 conversion, except for land and buildings.

[Convenience translation of a report and financial statements originally issued in Turkish]

BİM Birleşik Mağazalar Anonim Şirketi and its Subsidiaries

Notes to the consolidated financial statements as of December 31, 2012

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

New and amended standards and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at December 31, 2012 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of January 1, 2012. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

The new standards, amendments and interpretations which are effective as at January 1, 2012 are as follows:

IAS 12 Income Taxes – Recovery of Underlying Assets [Amendment]

IAS 12 has been updated to include i) a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale and ii) a requirement that deferred tax on non-depreciable assets, measured using the revaluation model in IAS 16, should always be measured on a sale basis. These amendments will be applied retrospectively. Adoption of this amendment did not have any impact on the financial position or performance of the Group.

IFRS 7 Financial Instruments: Disclosures – Transfers of Financial Assets [Amended]

The purpose of this amendment is to allow users of financial statements to improve their understanding of transfer transactions of financial assets (e.g. securitizations), including understanding the possible effects of any risks that may remain with the entity which transferred the assets. The amendment also requires additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. Comparative disclosures are not required. The amendment affects disclosures only and did not have any impact on the financial position or performance of the Group.

Standards issued but not yet effective and not early adopted

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

IAS 1 Presentation of Financial Statements [Amended] – Presentation of Items of Other Comprehensive Income

The amendments are effective for annual periods beginning on or after July 1, 2012, but earlier application is permitted. The amendments to IAS 1 change only the grouping of items presented in other comprehensive income. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time would be presented separately from items which will never be reclassified. The amendments will be applied retrospectively. The amendment affects presentation only and will have no impact on the financial position or performance of the Group.

IAS 19 Employee Benefits [Amended]

Amended standard is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. With very few exceptions retrospective application is required. Numerous changes or clarifications are made under the amended standard. Among these numerous amendments, the most important changes are removing the corridor mechanism and making the distinction between short-term and other long-term employee benefits based on expected timing of settlement rather than employee entitlement. The Group is in the process of assessing the impact of the amended standard on the financial position or performance of the Group.

IAS 27 Separate Financial Statements [Amended]

As a consequential amendment to IFRS 10 and IFRS 12, the IASB also amended IAS 27, which is now limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. Transitional requirement of this amendment is similar to IFRS 10. This amendment will not have any impact on the financial position or performance of the Group.

IAS 28 Investments in Associates and Joint Ventures [Amended]

As a consequential amendment to IFRS 11 and IFRS 12, the IASB also amended IAS 28, which has been renamed IAS 28 Investments in Associates and Joint Ventures, to describe the application of the equity method to investments in joint ventures in addition to associates. Transitional requirement of this amendment is similar to IFRS 11. The Group does not expect that this amendment will have any impact on the financial position or performance of the Group.

[Convenience translation of a report and financial statements originally issued in Turkish]

BİM Birleşik Mağazalar Anonim Şirketi and its Subsidiaries

Notes to the consolidated financial statements

as of December 31, 2012

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

IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities [Amended]

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

IFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities [Amended]

New disclosures would provide users of financial statements with information that is useful in i) evaluating the effect or potential effect of netting arrangements on an entity's financial position and ii) analysing and comparing financial statements prepared in accordance with IFRSs and other generally accepted accounting standards. The amendments are to be retrospectively applied for annual periods beginning on or after January 1, 2013 and interim periods within those annual periods. The amendment affects disclosures only and will have no impact on the financial position or performance of the Group.

IFRS 9 Financial Instruments - Classification and Measurement

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

IFRS 10 Consolidated Financial Statements

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

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. A new definition of control is introduced, which is used to determine which entities are consolidated. This is a principle based standard and require preparers of financial statements to exercise significant judgment. The Group does not expect that this standard will have a significant impact on the financial position or performance of the Group.

IFRS 11 Joint Arrangements

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

The standard describes the accounting for joint ventures and joint operations with joint control. Among other changes introduced, under the new standard, proportionate consolidation is not permitted for joint ventures. The Group does not expect that this standard will have an impact on the financial position or performance of the Group.

IFRS 12 Disclosure of Interests in Other Entities

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

IFRS 12 includes all of the disclosures that were previously in IAS 27 Consolidated and Separate Financial Statements related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 Interests in Joint Ventures and IAS 28 Investment in Associates. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. Under the new standard the Group will provide more comprehensive disclosures for interests in other entities.

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BİM Birleşik Mağazalar Anonim Şirketi and its Subsidiaries

Notes to the consolidated financial statements as of December 31, 2012

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

IFRS 13 Fair Value Measurement

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

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

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

Transition Guidance [Amendments to IFRS 10, IFRS 11 and IFRS 12]

The guidance is effective for annual periods beginning on or after January 1, 2013. The amendments change the transition guidance to provide further relief from full retrospective application. The date of initial application is defined as 'the beginning of the annual reporting period in which IFRS 10 is applied for the first time'. The assessment of whether control exists is made at 'the date of initial application' rather than at the beginning of the comparative period. If the control assessment is different between IFRS 10 and IAS 27/SIC-12, retrospective adjustments should be determined. However, if the control assessment is the same, no retrospective application is required. If more than one comparative period is presented, additional relief is given to require only one period to be restated. For the same reasons IASB has also amended IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities to provide transition relief. This guidance has not yet been endorsed by the European Union. The Group does not expect that this standard will have a significant impact on the financial position or performance of the Group.

Improvements to IFRSs

The IASB has issued the Annual Improvements to IFRSs – 2009 – 2011 Cycle, which contains amendments to its standards. The annual improvements project provides a mechanism for making necessary, but non-urgent, amendments to IFRS. The effective date for the amendments is for annual periods beginning on or after January 1, 2013. Earlier application is permitted in all cases, provided that fact is disclosed. This project has not yet been endorsed by the European Union. The Group does not expect that the project will have a significant impact on the financial position or performance of the Group.

IAS 1 Financial Statement Presentation:

Clarifies the difference between voluntary additional comparative information and the minimum required comparative information.

IAS 16 Property, Plant and Equipment:

Clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.

IAS 32 Financial Instruments: Presentation:

Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes. The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders.

IAS 34 Interim Financial Reporting:

Clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment. Total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual financial statements for that reportable segment.

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BİM Birleşik Mağazalar Anonim Şirketi and its Subsidiaries

Notes to the consolidated financial statements as of December 31, 2012

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

IFRS 10 Consolidated Financial Statements (Amendment)

IFRS 10 is amended to provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss in accordance with IFRS 9 Financial Instruments. The amendment applies for annual periods beginning on or after January 1, 2014 with earlier application permitted. The amendment has not yet been endorsed by the European Union. The amendment is not applicable for the Group and will not have any impact on the financial position or performance of the Group.

Functional and presentation currency

The functional and presentation currency of the Group 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 TL exchange rate for purchases of MAD at the balance sheet date, TL 1 = MAD 4,7544 amounts in the statement of comprehensive income have been translated into TL, at the average TL exchange rate for purchases of MAD, is TL 1 = MAD 4,8460. Differences that occur by the usage of closing and average exchange rates are followed under currency translation differences classified under equity.

The functional currency of the Company's other subsidiary, BIM Stores LLC is Egyptian Pound (EGP). In the consolidated financial statements, EGP amounts presented in the balance sheet and in the statement of comprehensive income are translated into Turkish Lira at the TL exchange rate for purchase of EGP at the balance sheet date, TL 1 = EGP 3,5650.

Reclassifications made to the financial statements of the year 2011

Certain reclassifications have been made in the balance sheet and in the income statement for the year ended December 31, 2012 in accordance with CMB Accounting Standards. As of December 31, 2011, TL 389 included in the provisions for employee termination benefits has been reclassified to provisions. Marketing, selling and distribution expenses account, general and administrative expenses account are offset with other operating income due to the same content of the accounts in amount of TL 1.261 and TL 2.474, respectively.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent company BIM and its subsidiaries prepared for the year ended December 31, 2012. Subsidiaries are consolidated from the date on which control is transferred to the Group. The consolidated financial statements cover BIM and the subsidiaries with 100% control.

Subsidiaries are consolidated by using the full consolidation method; therefore, the carrying value of subsidiaries are eliminated against the related shareholders' equity.

Intercompany balances and transactions between BIM and its subsidiaries, including unrealized intercompany 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.

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Valuation basis and significant accounting policies applied

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 participation banks are recognized in accrual basis.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks, cash in transit and short-term deposits that are not used for investment purposes.

Trade receivables

Trade receivables, which generally have an average of 11 day term (December 31, 2011 – 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 trade 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.

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:

	Duration (Years)
Land improvements	5
Buildings	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.

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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.

Financial instruments

Financial asset and 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 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-end.

Financial assets at fair value through profit or loss

Either acquired for generating a profit from short-term price fluctuations or dealers' margin, or included in a portfolio in which a pattern of short-term profit making exists. Financial assets at fair value through profit or loss are initially recognized and subsequently measured at fair value. All related gains and losses are accounted in the income statement. The Group does not have any financial assets at fair value through profit or loss as of balance sheet date.

Held-to-maturity financial assets

Assets that are non-derivative financial assets with fixed maturities, where management has both the intent and the ability to hold to the maturity excluding the financial assets classified as loans and advances to customers. Held-to-maturity financial assets are carried at amortised cost using the effective yield method. The Group does not have any held-to-maturity financial assets as of balance sheet date.

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Available-for-sale financial assets

Non-derivatives that are not designated in financial assets at fair value through profit or loss, held-to-maturity financial assets or loans and receivables. These are included in non-current assets unless management has the intention of holding these investments for less than 12 months from the balance sheet date, or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

Available-for-sale financial assets are subsequently measured at fair value. While available-for-sale financial assets that are quoted in active markets are measured based on current bid prices, other available-for-sale equity securities that do not have quoted fair values or for which fair values cannot be reliably measured through alternative methods, are measured at cost less any impairment

Unrealised gains and losses arising from changes in the fair value of securities classified as available-for-sale are accounted in equity net of tax under "financial assets fair value reserve". When available-for-sale securities are sold, collected or otherwise disposed of, related deferred gains and losses in equity are transferred to the consolidated income statement. If the difference between the cost and the fair value of the available-for-sale securities is permanent, gains and losses are transferred to the consolidated income statement.

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 the normal sales or purchase transactions of financial assets are recorded at the transaction date that the Group guaranteed to purchase or sell the financial asset. These transactions generally require the transfer of financial asset in the period specified by the general conditions and the procedures in the market.

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.

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.

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Trade payables

Trade payables which generally have an average of 48 day term [December 31, 2011 - 46 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.

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:

	USD/TL (full)	EUR/TL (full)
December 31, 2012	1,7826	2,3517
December 31, 2011	1,8889	2,4438

Earnings per share

Earnings per share 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

A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable. 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.

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.

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Related parties

Parties are considered related to the Company if;

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

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

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

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

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 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 tax liabilities are recognized for all taxable temporary differences.

Deferred 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. The carrying amount of deferred 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 tax asset to be utilized.

Deferred 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 tax effects of the transactions that are accounted directly in the equity are also reflected to 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 12, 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.

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.

c) Unused vacation

Unused vacation rights accrued in the consolidated financial statements represents estimated total provision for potential liabilities related to employees' unused vacation days as of the balance sheet date.

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3. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers of the Group. 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 Group makes strategic decisions as a whole over the operations of the Group as the Group 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.

4. Cash and cash equivalents

	December 31, 2012	December 31, 2011
Cash on hand	54.725	52.830
Banks		
-profit share deposits	184.224	236.220
-demand deposits	122.680	44.365
Cash in transit	26.593	31.150
	388.222	364.565
Less: accrual for profit share	[1.264]	[3.973]
	386.958	360.592

As of December 31, 2012 and 2011 there is no restricted cash. As of December 31, 2012, profit share deposits are in TL and the gross rate for profit share from participation banks for TL is 8,5% (December 31, 2011 – gross 8,5%).

5. Financial investments

The details of subsidiaries and associates' financial investment of the Group as of December 31, 2012 and 2011 are as below:

Name	Ratio	December 31, 2012
İdeal Standart İşletmecilik ve Müessesilik San. ve Tic. A.Ş. ^(*)	100%	12.590
		12.590

^(*) As of January 30, 2012, the Group took over the shares of İdeal Standart İşletmecilik ve Müessesilik Sanayi ve Ticaret Anonim Şirketi ["İdeal Standart"] by TL 12.590. Since İdeal Standart is not quoted in active markets or measured based on current bid prices, measured at cost. Since the financial statements of the Company are not material for the Group's consolidated financial statements or does not have a significant influence, are not included in the scope of consolidation. As of December 31, 2012, the ratio of total assets and turnover of the Company is less than 1% to the Group's consolidated total assets and turnover.

The Group does not have any available for sale financial assets as of December 31, 2011.

6. Financial liabilities

The Group has interest free short term bank borrowings in amount of TL 10.448 to pay SGK liabilities as of December 31, 2012. Such borrowings have been closed on January 3, 2013 (December 31, 2012 – None).

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7. Trade receivables and payables

a) Trade receivables, net

	December 31, 2012	December 31, 2011
Credit card receivables	312.344	269.190
Trade receivables	1.003	970
Doubtful trade receivables	365	712
Other receivables	801	825
Less: provision for doubtful receivables	(365)	(712)
	314.148	270.985

As of December 31, 2012 the average term of trade receivables is 11 days [December 31, 2011 - 10 days].

Term trade receivables are recognized at original invoice amount and carried after provisions for doubtful trade receivables are discounted from the deduction. The allowance for doubtful receivables are estimated when it is not possible the collection of the receivable.

As of December 31, 2012 and 2011, the Group does not have any overdue trade receivables except for doubtful receivables.

Current period movement of allowance for doubtful receivables is as follows:

	December 31, 2012	December 31, 2011
Beginning	712	694
Allowance for doubtful receivables	3	22
Collection in current year	(350)	(4)
Ending	365	712

b) Trade payables, net

	December 31, 2012	December 31, 2011
Other trade payables	1.026.151	890.253
	1.026.151	890.253

As of December 31, 2012 the average term of trade payables is 48 days [December 31, 2011 - 46 days]. As of December 31, 2012 letters of guarantee and cheques are amounting to 26.060 TL and mortgages are amounting to TL 23.793 [December 31, 2011 - TL 13.703 letters of guarantee and cheque, TL 13.656 mortgages].

8. Inventories

	December 31, 2012	December 31, 2011
Trade goods, net	478.323	400.755
Other inventory	5.261	3.888
	483.584	404.643

As of December 31, 2012 provision for impairment of inventory amounting to TL 1.423 was recorded [December 31, 2011 - TL 2.050].

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	December 31, 2012	December 31, 2011
Beginning	(2.050)	(1.229)
Current year reversal	2.050	1.229
Provision for impairment	(1.423)	(2.050)
Ending	(1.423)	(2.050)

9. Property and equipment

The movements of property and equipment and the related accumulated depreciation for the years ended December 31, 2012 and 2011 are as follows:

	December 31, 2011	Additions	Disposals	Transfers	Netting	Provision for impairment	Revaluation reserves	Effect of change in foreign currencies	December 31,2012
Cost or revalued amount									
Land	93.550	46.571	-	-	-	(122)	59.590	-	199.589
Land improvements	3.175	809	-	4	-	-	-	-	3.988
Buildings	168.513	2.921	-	15.328	(21.102)	(998)	7.511	-	172.173
Machinery and equipment	314.260	60.474	(6.152)	1.549	-	-	-	(237)	369.894
Vehicles	63.538	24.020	(10.410)	917	-	-	-	(29)	78.036
Furniture and fixtures	132.795	27.020	(2.824)	747	-	-	-	(53)	157.685
Leasehold improvements	234.873	54.029	(5.718)	(30)	-	-	-	(442)	282.712
Construction in progress	2.577	22.466	-	(18.515)	-	-	-	-	6.528
	1.013.281	238.310	(25.104)	-	(21.102)	(1.120)	67.101	(761)	1.270.605
Less: Accumulated depreciation									
Land improvements	(1.453)	(668)	14	-	-	-	-	-	(2.107)
Building	(12.577)	(8.525)	-	-	21.102	-	-	-	-
Machinery and equipment	(147.277)	(28.748)	3.666	-	-	-	-	50	(172.309)
Vehicles	(29.937)	(12.626)	7.891	-	-	-	-	6	(34.666)
Furniture and fixtures	(89.602)	(17.808)	2.640	-	-	-	-	10	(104.760)
Leasehold improvements	(84.360)	(23.977)	2.944	-	-	-	-	43	(105.350)
	(365.206)	(92.352)	17.155	-	21.102	-	-	109	(419.192)
Net book value	648.075								851.413

	December 31, 2010	Additions	Disposals	Transfers	Effect of change in foreign currencies	December 31, 2011
Cost or revalued amount						
Land	79.659	13.891	-	-	-	93.550
Land improvements	2.303	872	-	-	-	3.175
Buildings	143.564	12.955	-	11.994	-	168.513
Machinery and equipment	264.278	49.934	(4.388)	3.639	797	314.260
Vehicles	51.701	20.255	(8.890)	357	115	63.538
Furniture and fixtures	115.394	18.506	(1.568)	280	183	132.795
Leasehold improvements	193.821	44.224	(4.622)	-	1.450	234.873
Construction in progress	50	18.797	-	(16.270)	-	2.577
	850.770	179.434	(19.468)	-	2.545	1.013.281
Less: Accumulated depreciation						
Land improvements	(949)	(504)	-	-	-	(1.453)
Building	(5.767)	(6.810)	-	-	-	(12.577)
Machinery and equipment	(126.448)	(23.158)	2.521	-	(192)	(147.277)
Vehicles	(26.598)	(10.013)	6.696	-	(22)	(29.937)
Furniture and fixtures	(75.318)	(15.786)	1.542	-	(40)	(89.602)
Leasehold improvements	(66.352)	(19.655)	1.808	-	(161)	(84.360)
	(301.432)	(75.926)	12.567	-	(415)	(365.206)
Net book value	549.338					648.075

The land and buildings were revalued and reflected to financial statements with their 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.

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Had the revalued assets been carried at cost less accumulated depreciation, the carrying amounts of land and buildings would have been as follows as of December 31, 2012 and 2011, respectively:

	Land and buildings	
	December 31, 2012	December 31, 2011
Cost	323.196	258.376
Accumulated depreciation	(33.025)	(24.498)

As of December 31, 2012 and 2011, the gross carrying amount of property and equipment and intangibles, which are fully depreciated, but still in use, is as follows:

	December 31, 2012	December 31, 2011
Machinery and equipment	68.672	65.120
Furniture and fixtures	62.156	52.190
Intangible assets and leasehold improvements	27.141	24.254
Vehicles	8.344	6.070
Land improvements	405	346
	166.718	147.980

Pledges and mortgages on assets

As of December 31, 2012 and 2011, there is no pledge or mortgage on property and equipment of the Group.

10. Intangible assets

The movements of intangible assets and related accumulated amortization for the years ended December 31, 2012 and 2011 are as follows:

	December 31, 2011	Additions	Disposals	Effect of change in foreign currencies	December 31, 2012
Cost					
Rights	10.199	1.556	-	(7)	11.748
Other intangibles	31	-	-	-	31
	10.230	1.556		(7)	11.779
Accumulated amortization					
Rights	(7.401)	(1.200)	-	-	(8.601)
Other intangibles	(26)	-	-	-	(26)
	(7.427)	(1.200)		-	(8.627)
Net book value	2.803				3.152

	December 31, 2010	Additions	Disposals	Effect of change in foreign currencies	December 31, 2011
Cost					
Rights	9.104	1.153	(87)	29	10.199
Other intangibles	31	-	-	-	31
	9.135	1.153	(87)	29	10.230
Accumulated amortization					
Rights	(6.350)	(1.054)	11	(8)	(7.401)
Other intangibles	(26)	-	-	-	(26)
	(6.376)	(1.054)	11	(8)	(7.427)
Net book value	2.759				2.803

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

Major part of the rights is software licenses.

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11. Provisions, contingent assets and liabilities

Other provisions for accruals

As of December 31, 2012 and 2011, the Group has provision for unused vacation, telephone, electricity, water and other short term liabilities in amount of TL 8.350 and TL 2.784, respectively.

Litigation against the Group

As of December 31, 2012 and 2011, the total amount of outstanding lawsuits filed against the Group is TL 12.391 and TL 10.218 [in historical terms], respectively. The Group made provisions amounting TL 6.880 and TL 6.818 for the related periods, respectively.

Current period movement of provision for lawsuits is as follows;

	December 31, 2012	December 31, 2011
Beginning	6.818	6.388
Provision amount, net	62	430
Ending	6.880	6.818

Letter of guarantees, mortgages and pledges given by the Group

As of December 31, 2012 and 2011, breakdown of the guarantees, mortgage and pledges given by the Group is as follows:

	December 31, 2012				
	Total TL equivalent	TL	USD	Euro	Moroccan Dirham
A. Total amount of guarantees, pledges and mortgages given in the name of legal entity	16.817	16.203	250.000	-	799.500
Guarantee	16.817	16.203	250.000	-	799.500
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	2.261	-	-	961.254	-
Guarantee	2.261	-	-	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	19.078	16.203	250.000	961.254	799.500

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	December 31, 2011			
	Total TL equivalent	TL	USD	Euro
A. Total amount of guarantees, pledges and mortgages given in the name of legal entity	14.108	13.421	363.397	-
Guarantee	14.108	13.421	363.397	-
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	2.349	-	-	961.254
Guarantee	2.349	-	-	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	16.457	13.421	363.397	961.254

Insurance coverage on assets

As of December 31, 2012 and 2011, insurance coverage on assets of the Group is TL 721.157 and TL 598.666 respectively.

12. 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 3.034 (full TL) and 2.732 (full TL) at December 31, 2012 and 2011, 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, 2012 and 2011.

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, 2012	January 1 – December 31, 2011
Current service cost (Note 17)	4.773	4.015
Financial expense of employee termination benefit	2.354	1.751
Actuarial losses expensed	596	449
Total expense	7.723	6.215

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Provision for employee termination benefits:

	January 1 – December 31, 2012	January 1 – December 31, 2011
Defined benefit obligation	36.712	23.696
Unrecognized actuarial losses	(21.244)	(11.048)
	15.468	12.648

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

	January 1 – December 31, 2012	January 1 – December 31, 2011
Beginning balance	23.696	17.831
Financial expense of employee termination benefit	2.354	1.751
Current service cost	4.773	3.626
Benefits paid	(4.903)	(2.701)
Actuarial loss/(gain)	10.792	3.189
Balance at period end	36.712	23.696

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

	January 1 – December 31, 2012	January 1 – December 31, 2011
Discount rate	9%	10%
Expected rate of salary/limit increases	5%	5,1%

13. Other assets and liabilities

a) Other current assets

	December 31, 2012	December 31, 2011
Advances given	53.214	20.627
Prepaid expenses	8.666	7.154
VAT receivable	7.556	6.092
Other	1.979	429
	71.415	34.302

b) Other non-current assets

	December 31, 2012	December 31, 2011
Advances given for tangible asset purchases	5.135	3.945
Deposits and advances given	2.666	2.509
Other	670	406
	8.471	6.860

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c) Other current liabilities

	December 31, 2012	December 31, 2011
Income tax and social security premiums payables	10.524	18.137
Other tax and funds payable	13.633	10.284
VAT payable	13.492	11.042
Advances taken	2.166	5.550
Other	2.734	589
	42.549	45.602

As of December 31, 2012 and 2011, the Group does not have any other long-term liability.

14. Shareholders' equity

a) Share capital and capital reserves

As of December 31, 2012 and 2011, the breakdown of shareholders and their ownership percentages in the Company are summarized as follows:

	January 1 - December 31, 2012		January 1 - December 31, 2011	
	Historical amount	%	Historical amount	%
Mustafa Latif Topbaş	25.466	16,8	26.466	17,5
Ahmet Afif Topbaş	14.571	9,6	13.571	8,9
Abdulrahman A. El Kherejji	6.831	4,5	10.626	7,0
Firdevs Çizmeci	1.750	1,1	1.800	1,2
Ömer Hulusi Topbaş	180	0,1	180	0,1
Publicly traded	103.002	67,9	99.157	65,3
	151.800	100	151.800	100

The Company's share capital is fully paid and consists of 151.800.000 [December 31, 2011 - 151.800.000] shares of TL 1 nominal value each.

Revaluation surplus

As of December 31, 2012, the Group has revaluation surplus amounting TL 78.323 [December 31, 2011 - TL 15.704] related to revaluation of land and buildings. The revaluation surplus is not available for distribution to shareholders.

b) Restricted reserves assorted 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.

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Listed companies are subject to dividend requirements regulated by the CMB as follows:

In accordance with the CMB 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 CMB 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.

Dividend distribution policy of the Company is in line with the CMB Law numbered 6362 dated December 30, 2012.

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, 2012 and 2011 legal reserves, prior year profits and net income for the period in statutory accounts of the Company are as follows:

	December 31, 2012	December 31, 2011
Legal reserves	103.211	81.449
Prior year profits	128.679	41.682
Net income for the period	345.860	306.099
	577.750	429.230

As of December 31, 2012 net profit per the Company's statutory books is TL 345.860 and net profit per consolidated financial statements in accordance with CMB accounting standards is TL 331.321.

Dividend paid

Regarding the decision of ordinary meeting of the general assembly, dated May 15, 2012, the Company has completed dividend distribution amounting to gross TL 197.340 from its net income of the year 2011 as of May 22, 2012. Gross dividend amount paid per share is full TL 1,3.

15. Sales and cost of sales

a) Net sales

The Group's net sales for the years ended December 31, 2012 and 2011 are as follows:

	January 1 - December 31, 2012	January 1 - December 31, 2011
Sales	9.947.643	8.220.931
Sales return [-]	[41.276]	[31.796]
	9.906.367	8.189.135

b) Cost of sales

	January 1 - December 31, 2012	January 1 - December 31, 2011
Beginning inventory	400.755	332.795
Purchases	8.424.721	6.947.765
Ending inventory [-]	[478.323]	[400.755]
	8.347.153	6.879.805

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16. Marketing, selling and distribution and general and administrative expenses

a) Marketing, selling and distribution expenses

	January 1 - December 31, 2012	January 1 - December 31, 2011
Personnel expenses	440.117	359.076
Rent expenses	248.148	208.761
Depreciation and amortization expenses	86.215	70.608
Electricity, water and communication expenses	57.876	46.543
Packaging expenses	49.059	40.595
Trucks fuel expense	37.941	30.916
Advertising expenses	33.464	25.354
Maintenance and repair expenses	20.991	18.779
Provision for employee termination benefit	3.954	3.356
Other selling and marketing expenses	37.288	30.413
	1.015.053	834.401

b) General and administrative expenses

	January 1 - December 31, 2012	January 1 - December 31, 2011
Personnel expenses	95.589	78.787
Depreciation and amortization expenses	7.337	6.372
Motor vehicle expenses	6.851	5.895
Legal and consultancy expenses	5.667	4.171
Money collection expenses	5.077	4.494
Communication expenses	956	867
Provision for employee termination benefits	819	659
Office supplies expenses	558	501
Other general and administrative expenses	23.655	21.994
	146.509	123.740

17. Expenses as to nature

a) Depreciation and amortization expenses

	January 1 - December 31, 2012	January 1 - December 31, 2011
Marketing, selling and distribution expenses	86.215	70.608
General and administrative expenses	7.337	6.372
	93.552	76.980

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b) Personnel expenses

	January 1 - December 31, 2012	January 1 - December 31, 2011
Wages and salaries	468.640	382.145
Social security premiums - employer contribution	67.066	55.718
Provision for employee termination benefits (Note 12)	4.773	4.015
	540.479	441.878

18. Other operating income and expense

a) Other operating income

	January 1 - December 31, 2012	January 1 - December 31, 2011
Gain on sale of scraps	6.263	5.234
Dividend income	2.660	-
Profit from sale of property and equipment	568	-
Other income and profit	4.107	7.365
	13.598	12.599

b) Other operating expenses

	January 1 - December 31, 2012	January 1 - December 31, 2011
Provision for impairment on property and equipment	1.120	-
Provision expenses	550	573
Other	1.624	3.841
	3.294	4.414

19. Financial income

	January 1 - December 31, 2012	January 1 - December 31, 2011
Financial income		
Income on profit share account - deposits	14.535	15.281
Gain on sale of marketable securities	2.654	-
Foreign exchange gains	161	5.770
Total financial income	17.350	21.051

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20. Financial expenses

	January 1 - December 31, 2012	January 1 - December 31, 2011
Financial expense		
Foreign exchange losses	2.217	314
Finance charge on employee termination benefit [including actuarial loss]	2.950	2.200
Banking charges	204	91
Other financial expenses	451	81
Total financial expenses	5.822	2.686

21. Tax assets and liabilities

As of December 31, 2012 and 2011, provision for taxes of the Group is as follows:

	January 1 - December 31, 2012	January 1 - December 31, 2011
Current period tax provision	87.268	77.293
Prepaid taxes	[64.571]	[59.219]
Corporate tax payable	22.697	18.074

In Turkey, as of December 31, 2012 corporate tax rate is 20% [December 31, 2011- 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, 2012 the corporate tax rate is %30 [December 31, 2011 - %30] where the consolidated subsidiary of the Company, BIM Stores SARL operates. In Egypt, as of December 31, 2012 the corporate tax rate is 20% where the consolidated subsidiary of the Company, BIM Stores LLC operates.

There is no taxable temporary differences related with the consolidated subsidiaries for which the Company recognised deferred tax liability (December 31, 2011: None).

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 tax rate 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.

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As of December 31, 2012 and 2011, temporary differences based for deferred tax and deferred tax asset and liability calculated by using applicable tax rates are as follows:

	Balance sheet		Comprehensive income statement	
	December 31, 2012	December 31, 2011	January 1 - December 31, 2012	January 1 - December 31, 2011
Deferred tax liability				
Restatement effect on non-monetary items in accordance with IAS 29	19.081	15.258	3.823	2.382
The effect of the revaluation of land and buildings	4.538	262	4.276	-
Other adjustments	886	1.031	[145]	180
Deferred tax asset				
Reserve for employee termination benefit	[3.094]	[2.530]	[564]	[670]
Other adjustments	[5.850]	[3.858]	[1.992]	[423]
Currency translation difference	-	-	[21]	67
Deferred tax	15.561	10.163	5.377	1.536

Deferred tax is presented in financial statements as follows:

	December 31, 2012	December 31, 2011
Deferred tax asset	392	481
Deferred tax liability	[15.953]	[10.644]
Net tax liability	[15.561]	[10.163]

Movement of net deferred tax liability for the years ended December 31, 2012 and 2011 is as follows:

	January 1 - December 31, 2012	January 1 - December 31, 2011
Opening balance	10.163	8.694
Deferred tax expense/(income) recognized in statement of comprehensive income	895	1.536
Revaluation difference recognized in statement of other comprehensive income	4.482	-
Foreign currency translation differences	21	[67]
Balance at the end of period	15.561	10.163

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Tax reconciliation

	January 1 - December 31, 2012	January 1 - December 31, 2011
Net income before tax	419.484	377.739
Corporation tax at effective tax rate of 20%	(83.897)	(75.548)
Disallowable expenses	[621]	[931]
Effect of non-tax deductible and tax exempt items	149	317
Tax rate effect of the consolidated subsidiary	[1.717]	[1.454]
Other	[2.077]	[1.213]
Provision for taxes	(88.163)	(78.829)
- Current	(87.268)	(77.293)
- Deferred	(895)	(1.536)

22. Earnings per share

Basic earnings per share 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.

There is no movement in the number of shares as of December 31, 2012 and December 31, 2011.

	January 1- December 31, 2012	January 1- December 31, 2011
Number of shares		
Average number of stocks during the period	151.800.000	151.800.000
Net profit of the period	331.321	298.910
Profit per share [full TL]	2,183	1,969

23. Related party disclosures

a) Due to related parties

Due to related parties balances as of December 31, 2012 and 2011 are as follows:

Payables related to goods and services received:

	December 31, 2012	December 31, 2011
Ak Gıda A.Ş. [Ak Gıda] ⁽¹⁾	87.042	74.719
Başak Gıda Dağıtım ve Pazarlama A.Ş. [Başak] ⁽¹⁾	36.578	28.032
Hedef Tüketim Ürünleri San ve Dış Tic. A.Ş. [Hedef] ⁽¹⁾	22.088	13.449
Turkuvaz Plastik ve Tem. Ürün. Tic. A.Ş. [Turkuvaz] ⁽¹⁾	19.480	9.582
Esas Paz. ve Tic. A.Ş. [Esas] ⁽¹⁾	2.788	1.796
İdeal Standart İşletmecilik ve Mümessillik San. ve Tic. A.Ş. [İdeal Standart] ⁽²⁾	2.256	-
Bahar Su Sanayi ve Tic. A.Ş. [Bahar Su] ⁽¹⁾	752	763
Proline Bilişim Sistemleri ve Ticaret A.Ş. ⁽¹⁾	581	1
Seher Gıda Paz. San. ve Tic. A.Ş. [Seher] ⁽¹⁾	270	116
Natura Gıda Sanayi ve Ticaret A.Ş. [Natura] ^{(1) (*)}	50	1.281
	171.885	129.739

⁽¹⁾ Companies owned by shareholders of the Company.

⁽²⁾ Subsidiaries of the Group.

^(*) Advance given to Natura Gıda Sanayi ve Ticaret A.Ş. amounting to TL 18.359 as of December 31, 2012 is included in other current assets.

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b) Related party transactions

For the years ended December 31, 2012 and 2011, summary of the major transactions with related parties are as follows:

(i) Purchases from related parties during the periods ended December 31, 2012 and 2011 are as follows:

	January 1- December 31 2012	January 1- December 31 2011
Ak Gıda ⁽¹⁾	637.009	514.317
Başak ⁽¹⁾	292.875	229.702
Hedef ⁽¹⁾	89.253	65.249
Turkuvaz ⁽¹⁾	87.690	40.749
Natura ⁽¹⁾	69.516	46.410
Esas ⁽¹⁾	25.321	28.608
İdeal Standart ⁽²⁾	9.239	-
Bahar Su ⁽¹⁾	5.490	3.691
Proline ⁽¹⁾	3.101	-
Seher ⁽¹⁾	1.611	1.408
Bahariye ⁽¹⁾	534	1.482
Marsan ^{(1) (*)}	-	2.978
	1.221.639	934.594

⁽¹⁾ Companies owned by shareholders of the Company.

⁽²⁾ Subsidiaries of the Group.

^(*) The company has been delisted from related parties as of July 1, 2011 and the amounts purchases from the Company between January 1, 2011 - June 30, 2011.

(ii) For the periods ended December 31, 2012 and 2011 salaries, bonuses and compensations provided to board of directors and key management comprising of 84 and 79 personnel, respectively, are as follows:

	January 1- December 31 2012	January 1- December 31 2011
Short-term benefits	21.854	18.874
Long-term defined benefits	1.105	1.150
Total benefits	22.959	20.024

24. 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.

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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	Profit share deposits	184.224	236.220
Financial liabilities		-	-
Variable profit share bearing financial instruments			
Financial assets		-	-
Financial liabilities		-	-

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 card receivables		Trade and other receivables		Bank deposits		Financial investments	
	Related Party	Other Party	Related Party	Other Party	Related Party	Other party	Related Party	Other party
Maximum credit risk exposures as of report date								
(A+B+C+D+E)	-	312.344	-	1.804	-	306.904	12.590	-
- Maximum risk secured by guarantees	-	-	-	-	-	-	-	-
A. Net book value of financial assets neither overdue nor impaired	-	312.344	-	1.804	-	306.904	12.590	-
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	-	-	-	-	-	-	-
- The part under guarantee with collateral etc	-	-	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-	-	-
- Past due (gross carrying amount)	-	-	-	365	-	-	-	-
- Impairment	-	-	-	(365)	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-	-	-
- Impairment	-	-	-	-	-	-	-	-
- The part of net value under guarantee with collateral etc	-	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-	-

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Credit risk table (Prior period)

	Credit card receivables		Trade and other receivables		Bank deposits		Financial investment	
	Related Party	Other Party	Related Party	Other Party	Related Party	Other party	Related Party	Other party
Maximum credit risk exposures as of report date [A+B+C+D+E]	-	269.190	-	1.795	-	280.585	-	-
- Maximum risk secured by guarantees	-	-	-	-	-	-	-	-
A. Net book value of financial assets neither overdue nor impaired	-	269.190	-	1.795	-	280.585	-	-
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	-	-	-	-	-	-	-
- The part under guarantee with collateral etc	-	-	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-	-	-
- Past due [gross carrying amount]	-	-	-	712	-	-	-	-
- Impairment	-	-	-	[712]	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-	-
- Not past due [gross carrying amount]	-	-	-	-	-	-	-	-
- Impairment	-	-	-	-	-	-	-	-
- The part of net value under guarantee with collateral etc	-	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-	-

There is a insignificant amount of foreign currency denominated assets and liabilities so the Company does not use derivative financial instruments or future contracts to reduce the risk of foreign currency.

Foreign currency position

As of December 31, 2012 and 2011, the Group's foreign currency position is as follows:

	December 31, 2012				December 31, 2011		
	TL equivalent	USD	Euro	GBP	TL equivalent	USD	Euro
1. Trade receivables	-	-	-	-	-	-	-
2a. Monetary financial assets [including cash, bank accounts]	253	51.105	57.267	9.637	109	7.855	38.388
2b. Non-monetary financial assets	-	-	-	-	-	-	-
3. Other	-	-	-	-	21	6.100	4.000
4. Current assets [1+2+3]	253	51.105	57.267	9.637	130	13.955	42.388
5. Trade receivables	-	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-	-
7. Other	50	26.300	1.278	-	-	-	-
8. Non-current assets [5+6+7]	50	26.300	1.278	-	-	-	-
9. Total assets[4+8]	303	77.405	58.545	-	130	13.955	42.388
10. Trade payables	-	-	-	-	-	-	-
11. Financial liabilities	-	-	-	-	-	-	-
12a. Monetary other liabilities	-	-	-	-	12	6.500	-
12b. Non-monetary other liabilities	-	-	-	-	-	-	-
13. Current liabilities [10+11+12]	-	-	-	-	12	6.500	-
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]	-	-	-	-	12	6.500	-
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]	-	-	-	-	-	-	-
21. Net foreign currency asset/(liability) position of monetary items [=1+2a+5+6a-10-11-12a-14-15-16a](IFRS 7.b23)	-	-	-	-	-	-	-
[=1+2a+5+6a-10-11-12a-14-15-16a]	303	77.405	58.545	9.637	118	7.455	42.388
22. Total fair value of financial instruments used for foreign currency hedging	-	-	-	-	-	-	-
23. Export	-	-	-	-	-	-	-
24. Import	-	-	-	-	-	-	-

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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, 2012 and 2011:

December 31, 2012	Exchange rate sensitivity analysis	
	Current Period	
	Profit/loss Increase in exchange rate	Profit/loss Decrease in exchange rate
<i>Increase/Decrease of 10% in value of U.S Dollar against TL:</i>		
1- U.S Dollar net asset/(liability)	14	[14]
2- Protected part from U.S Dollar risk [-]	-	-
3- U.S Dollar net effect [1+2]	14	[14]
<i>Increase/Decrease of 10% in value of Euro against TL:</i>		
4- Euro net asset/(liability)	14	[14]
5- Protected part from Euro risk [-]	-	-
6- Euro net effect [4+5]	14	[14]
<i>Increase/Decrease of 10% in value of GBP against TL :</i>		
7- GBP net asset/(liability)	3	[3]
8- Protected part from GBP risk [-]	-	-
9- GBP net effect [7+8]	3	[3]
Total [3+6+9]	31	[31]
December 31, 2011	Exchange rate sensitivity analysis	
	Current Period	
	Profit/loss Increase in exchange rate	Profit/loss Decrease in exchange rate
<i>Increase/Decrease of 10% in value of U.S Dollar against TL:</i>		
1- U.S Dollar net asset/(liability)	2	[2]
2- Protected part from U.S Dollar risk [-]	-	-
3- U.S Dollar net effect [1+2]	2	[2]
<i>Increase/Decrease of 10% in value of Euro against TL:</i>		
4- Euro net asset/(liability)	10	[10]
5- Protected part from Euro risk [-]	-	-
6- Euro net effect [4+5]	10	[10]
Total [3+6]	12	[12]

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.

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As of December 31, 2012 and 2011, maturities of undiscounted trade payables and financial liabilities are as follows:

December 31, 2012

Contractual maturities	Book value	Total cash outflow	Less than 3 months	Between 3-12 months	Between 1-5 year	More than 5 ears
Non derivative financial liabilities						
Trade payables	1.026.151	1.029.935	1.029.935	-	-	-
Due to related parties	171.885	172.532	172.532	-	-	-

December 31, 2011

Contractual maturities	Book value	Total cash outflow	Less than 3 months	Between 3-12 months	Between 1-5 year	More than 5 ears
Non derivative financial liabilities						
Trade payables	890.253	895.639	895.639	-	-	-
Due to related parties	129.739	130.537	130.537	-	-	-

25. 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.

26. Subsequent Events

None.

27. 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, 2012 and 2011.

PRODUCTS

Since its foundation BİM has provided quality products at best prices.



Powerdent Shine Toothbrush
Health begins with the mouth



Dost Süt
Natural milk, healthy milk



Bind Activit
Shining cleanliness



Çokkolata
Taste of chocolate



Bulut Fabric Softener
Fresh cleanliness



Dostino Biscuit Cubes
For growing



Queen Toilet Tissue
Economic and healthy softness



Dağhan Kungal Sucuk
100% flavor



RoomStar Room and Fabric Freshener
Let the sofas smell nice



Buono Nuts
Chocolate taste of nuts



İnci Cracked Olives
Regional tastes



Aknoz Cheese
Taste of cheese



Jucy Sour Cherry Juice
For a life with pleasure



Topi Tanem
Pleasure piece by piece



Buono Milk and Peanut Chocolate
Chocolate taste of milk and peanuts



Abdullah Efendi Turkish Coffee
Traditional taste



Dost Yoghurt
Full of health



Kerem Cream Cheese
Enjoy this taste

