

1. Statement of compliance with corporate governance principles

Our Company exercises all due care in the application of the corporate governance principles published by the Capital Markets Board.

PART I: SHAREHOLDERS

2. Investor Relations Unit

BIM has set up a investor relations unit whose duties are to provide communication between company management and shareholders and to keep shareholders and all stakeholders informed in a truthful, complete, timely, and effective manner. The unit became operational when the Company went public on 15 July 2005.

Detailed contact information about the Investor Relations Unit is available on the Company's website at www.bim.com.tr. Oral and written questions directed to the unit are responded to as quickly as possible within the framework of the public disclosure of information.

3. Shareholders' exercise of their right to obtain information

All publicly disclosed information about the Company is available and easily accessible to shareholders in the Investor Relations section of the Company's website at www.bim.com.tr. In addition, efforts were made during the year to respond to shareholders' and brokerage analysts' requests for information by taking advantage of every possible opportunity to communicate such as telephone, e-mail, meetings, teleconferences, and face-to-face discussions. At the ends of balance sheet periods, press releases were issued to inform shareholders and teleconferences were organized. Information about the conferences was provided in the Investor Relations section of our corporate website and was also sent out by e-mail to all the addresses in the Company's database.

A request to have a special auditor appointed is not an individual right provided for under the Company's articles of incorporation. No request for the appointment of a special auditor was made during the reporting period.

4. Information about general meetings

Ordinary and extraordinary general meetings were held prior to the Company's initial public offering, which took place on 15 July 2005.

An ordinary general meeting of BIM Birleşik Menkul Değerler A.Ş. was held at 11:00 on 14 April 2005 at the address of Ebubekir Caddesi No: 289 Samandıra-İstanbul under the supervision, a Ministry of Industry and Commerce commissioner appointed by letter number 19084 dated 13 April 2005 from the İstanbul Provincial Directorate of Industry and Commerce. The meeting was called by means of letters of invitation and newspaper announcements. An examination of the attendance roster showed that 25,300,000 shares corresponding to the Company's total capitalization amounting to YTL 25,300,000 were present, 8,758,552 of them in person and 16,541,448 in proxy. There was no attendance from the media at the meeting. The minutes of the meeting were published in issue 6303 of Turkish Trade Registry Gazette on 13 May 2005.

An extraordinary general meeting of BIM Birleşik Menkul Değerler A.Ş. was held at 11:00 on 24 June 2005 at the address of Ebubekir Caddesi No: 289 Samandıra-İstanbul under the supervision, a Ministry of Industry and Commerce commissioner appointed by letter number 38216 dated 23 June 2005 from the İstanbul Provincial Directorate of Industry and Commerce. The meeting was called by means of letters of invitation. An examination of the attendance roster showed that 25,300,000 shares corresponding to the Company's total capitalization amounting to YTL 25,300,000 were present, 17,613,552 of them in

person and 7,686,448 in proxy. The minutes of the meeting were published in issue 6336 of Turkish Trade Registry Gazette on 30 June 2005.

The minutes of these meetings were made available for the examination of shareholders at the Company's headquarters.

5. Voting rights and minority rights

Since the initial public offering on 15 July 2005, all of the Company's shares have been bearer shares. None of our Company's shares incorporate special voting rights. Company shareholders and their proxies are entitled to one vote for each share of stock they hold at both ordinary and extraordinary general meetings. Every shareholder has the right to send one representative to cast votes on his behalf at general meetings. Proxy voting takes place in accordance with the rules of the Capital Markets Board.

6. Dividend payment policy and timing

The Company's dividend payment policy is set forth in the Company's articles of incorporation. Just as there are no special voting rights provided in the Company's articles of incorporation, neither are there any special rights concerning the distribution of its profits. The timing of dividend payments is proposed by the Board of Directors and voted on at a general meeting in accordance with the requirements of the Turkish Commercial Code and capital market laws, regulations, and administrative provisions.

The Company's authorized bodies have not adopted any decision as yet on a profit distribution plan in 2006 or the years that follow.

7. Transferring shares

According to article 8 of the Company's articles of incorporation, shares of stock in the Company are to be transferred or assigned in accordance with the requirements of the Turkish Commercial Code and other applicable laws and regulations.

PART II: PUBLIC DISCLOSURE AND TRANSPARENCY

8. Company disclosure policy

The issues governed by Capital Markets Board communique VIII: 39 concerning principles pertaining to special circumstance announcements are publicly disclosed. In addition, the Investor Relations Unit responds endeavors to respond to shareholders' questions in a truthful, complete, and equitable manner.

9. Special circumstance announcements

During 2005 the Company made a total of 37 special circumstance announcements. There were no special circumstance announcements that were not made in a timely manner.

Public announcements in Turkish and English are put up on the Company's website at www.bim.com.tr.

10. The internet site and its content

The address of the Company's corporate website is www.bim.com.tr. In the Investor Relations section of the Company website, information is made available to shareholders under the following headings:

- Legal name
- Shareholder structure
- Company management
- Financial reports
- Special circumstance announcements
- Financial calendar
- Information about general meetings
- Contacts

11. Disclosure of ultimate non-corporate controlling shareholders

The shareholder structure of the Company is shown below.

Number Shareholder	of shares	shareholding interest (%)
Mustafa Latif Topbaş	6,702,916	26.49
Abdulrahman A. El Khereji	5,205,100	20.57
Zuhair Fayaz	1,301,275	5.14
Abraham Halit Çizmeci	744,766	2.94
Dieter Brandes	989	0.00
Gregson Limited	182,318	0.72
Other (publicly held)	11,162,635	44.12
Total	25,300,000	100.00

12. Public disclosure of those who may have access to insider information

The names and duties of the Company's directors, statutory auditors, and senior managers are presented below.

Board of Directors

Mustafa Latif Topbaş	Chairman
Mehmet Fatih Saraç	Vice Chairman
Prof. Dr. Ekrem Pakdemirli	Director
Hasan Hasip Buldanlıoğlu	Director
Mahmut Mirali	
Kassamali Merali	Director
Ömer Hulusi Topbaş	Director
Geylan Abdülaziz Zapsu	Director

Internal Auditors

Prof. Dr. Selahattin Tuncer	Auditor
Prof. Dr. Arif Ateş Vuran	Auditor

Senior Management

Jos Simons	CEO
Galip Aykaç	Operations Committee Member
Ürfet Naçar	Operations Committee Member
Bülent Pehlivan	Operations Committee Member
Haluk Dortluoğlu	Chief Financial Officer
Ünsal Çetinkaya	General Manager for Procurements

PART III: STAKEHOLDERS

13. Keeping stakeholders informed

In situations that are not governed by laws and regulations, the Company protects the interests of stakeholders within the framework of the rules of good faith.

14. Stakeholder participation in management

The Company's board of directors consists of seven members, five of whom are elected to represent shareholders and two of whom are independents. Employees and other stakeholders are informed about issues that are of concern to them through meetings with them.

15. Human resources policy

As set forth in BIM Organizational Objectives, the Company believes that it can achieve its aims only thanks to its employees. According to BKM's personnel regulations, BIM ensures that its work places are managed and that employees' rights and working conditions are arranged so as to achieve these aims.

What we offer our employees:

- A job that is reasonable, demands responsibility, and has specific objectives.
- A working environment based on mutual assistance and respect.
- An attitude that mistakes may be made in the effort to achieve the Company's objectives but that nobody makes mistakes knowingly or deliberately.
- A technologically comfortable working environment, to the degree that the Company's means permit.
- Opportunities to advance themselves professionally through training and development.

What we expect of our employees:

- Every employee of ours should be able to think on his own in the conduct of his job in line with the Company's objectives and to make decisions out of an awareness of his responsibilities and in coordination with fellow employees.
- Every employee of ours should be prepared to serve well and to learn in line with the Company's objectives.
- Every employee of ours should be able to make suggestions so that the Company may be better organized and managed in order to achieve its objectives.
- Every employee of ours should have the courage to make decisions.
- Every employee of ours should work with and have confidence in other employees so that the Company is able to achieve better results.

What we expect of our managers:

- Our managers are people who like people and who find it easy to interact with them.
- Our managers should try to manage by laying down as few rules as possible.
- Our managers should assign duties, authorities, and responsibilities to employees who are knowledgeable about the matters involved.
- All our managers should encourage employees to think, to speak their minds, and to make decisions.
- All our managers should allow employees to determine how to perform their own jobs within the framework of company rules.
- Every manager of ours should focus on employees' results.
- Every manager of ours should encourage employees' successes by acknowledging them and supporting their personal and professional development.
- Our managers should identify problems and come up with solutions together with employees rather than discover mistakes and then blame and punish people for them.
- Our managers should listen to employees patiently and make an effort to understand them. Managers and employees should work together on every issue in order to come up with a solution.
- Our managers should refrain from personal and abusive criticism.
- Our managers' most important duty is to make employees successful.

16. Relations with customers and suppliers

The Company's approach when dealing with customers and suppliers is set forth in BIM Organizational Objectives and is presented in the annual report on page 1 under the heading “A Decade of Steady Growth and Development” and on page 4 in the Message from the CEO.

17. Social responsibility

The Company does not engage in any manufacturing activities whatsoever. Plastic and cardboard waste is systematically stored in such a way as not to cause any harm to the environment and subsequently sold to companies under contractual agreements with them.

The goods in BİM's product portfolio are quality-controlled in coordination with the Turkish Quality Control Laboratory and the TÜBİTAK Research Institute. TÜBİTAK performs chemical and biological tests on the goods sold by BİM and subjects their places of manufacture to stringent quality control as well.

In both our İstanbul head office and our other regional organizations, goods are sampled at random and subjected to quality control tests. Whenever a new item is to be put on sale, it is first put through quality control and customer appeal tests. Similar tests are also performed on equivalent and competing items and the results of the tests are compared with each other.

Part IV: THE BOARD OF DIRECTORS

18. Structure and formation of the Board of Directors; non-executive directors

The Board of Directors is responsible for the Company's administration and its representation before other parties. The board consists of seven members who are elected by the shareholders at a general meeting in accordance with the provisions of the Turkish Commercial Code. Two board members are independent directors as defined in the Capital Markets Board's corporate governance handbook.

19. Qualifications of company directors

The members of the Company's board of directors are knowledgeable and experienced individuals who possess the qualifications spelled out in the Capital Markets Board's corporate governance principles. No other stipulations are made in the Company's articles of incorporation concerning the minimum qualifications required to be elected a company director.

20. Mission, vision, and strategic goals of the Company

The Company's objectives are to achieve a high degree of productivity in the localities where it provides service in the discount food retailing sector and to venture into other parts of Turkey and, in the future, into other countries where this concept is feasible and serve customers in those places as well. Improving productivity, increasing the weight of private-label goods in its discount price product portfolio, and achieving greater cost-effectiveness by enhancing its bargaining power when dealing with suppliers are among the Company's other objectives.

In the longer term:

- BIM will account for the biggest share of the Turkish food retailing sector's total turnover.
- BIM will have the highest number of stores in the Turkish food retailing sector.
- BIM will have a product portfolio of about 600 items.
- Honesty, trustworthiness, and fairness will remain BİM's fundamental principles.
- It is an inherent responsibility of BIM to treat every employee of the Company equally irrespective of religion, language, or ethnicity. We will be tolerant of every employee's lifestyle so long as he refrains from offending others and causing the Company harm and also avoids excesses that annoy customers.

21. Risk management and internal control mechanisms

The Company has an audit committee, an internal control system, and an in-house reporting system that is based on routinely-made performance comparisons.

22. Authorities and responsibilities of company directors and executives

The Board of Directors fulfills the duties incumbent upon them as provided for by law and the Company's articles of incorporation. The Company is administered and represented by the Board of Directors. The Board of Directors is authorized to perform, on the Company's behalf, any and all business, legal, financial, and technical transactions falling within the Company's object and scope and it has the exclusive right to make use of the Company's legal name.

23. Operating principles of the Board of Directors

As stipulated in the Company's articles of incorporation, the Board of Directors convenes upon the invitation of the chairman as the Company's business and transactions may require except that the board must convene at least once every three months. The chairman is required to set a date for a meeting of the board at the request of any member and if he does not do so within ten business days of the date of the request, the vice chairman may do so instead. Meetings' invitations and agendas must be sent out to each member by registered mail, in person, by fax, or by telex so as to reach the recipients at least fifteen days before the meeting date. Meetings may be held at the Company's headquarters or elsewhere in Turkey or, with the unanimous consent of the members of the board, in a location outside the country. The Board of Directors convened in actual session seven times during 2005 and also took thirteen decisions by consent of its members without a meeting being held in accordance with article 330/2 of the Turkish Commercial Code. At one of the meetings, one member, and at another, six members voted against an item on the meeting's agenda.

24. Prohibition on doing business or competing with the Company

Members of the Board of Directors are not permitted to engage in the transactions set forth in articles 334 and 335 of the Turkish Commercial Code without permission being given to them by shareholders at a general meeting.

25. Rules of ethics

Every employee of the Company receives a copy of BIM Organizational Objectives in which the Company's expectations of its personnel, managers, and suppliers in the achievement of the Company's goals are clearly spelled out. In-house procedures that must be followed on general and specific issues have been formulated. These are strictly complied with and are revised when need be.

26. Number, structure, and independence of committees established by the Board of Directors

Separate "Subsidiary Company and Related Party", "Audit and Compensation", and "Service Procurements" committees have been set up within the Board of Directors. These committees have been created so as to ensure that the Board of Directors satisfactorily fulfills its duties and responsibilities in line with the circumstances and needs that the Company may find itself in.

27. Financial benefits provided to the Board of Directors

Members of the Board of Directors are paid an honorarium for attending meetings. Following the Company's IPO, company directors are not provided any benefits in the form of loans, credit, or in any other way.