

Corporate Governance Principles Compliance Report

1. Statement of Compliance with Corporate Governance Principles

Our Company has diligently adhered to Corporate Governance Principles published by the Capital Markets Board; efforts to eliminate any shortcomings in this regard are ongoing.

Part I-Shareholders

2. Investor Relations Unit

BİM set up an Investor Relations Unit under the Finance Department in 2005 to establish communication between company management and shareholders and to properly, accurately, promptly and efficiently provide information to all shareholders and stakeholders.

Operations Committee Member and CFO:

Haluk Dortluoğlu

Tel: 0 216 564 03 46

Reporting and Investor Relations Manager:

Serkan Savaş

Tel: 0 216 564 03 46

E-Mail: serkan.savas@bim.com.tr

The main activities of this unit include providing information to the public in accordance with applicable legislation, ensuring rapid response to questions from shareholders or analysts from various organizations within the context of information disclosed to the public and preparing annual reports. During the reporting period, the unit has participated in 11 investor conferences organized by equity houses and further provided information to investors and shareholders in over 100 meetings held at the headquarters of the Company.

Investor Relations Unit is responsible for announcements of the material disclosures pursuant to related laws, as well as managing the communication with institutions such as Istanbul Stock Exchange, Capital Markets Board and Central Registry Agency.

3. Exercise of Shareholders' Right to Obtain Information

All shareholders' requests for information are met with the exception of trade secrets and publicly undisclosed data. The said requests were mostly related to information on the General Assembly, payment of dividends and financial data. All publicly disclosed information is available and easily accessible to shareholders on the Company's website (www.bim.com.tr) under Investor Relations section. Moreover, requests for information from institutional shareholders and analysts of intermediary agencies during the year were satisfied via various means of communications such as teleconference and one-to-one meetings. BİM has organized information teleconferences for shareholders at the end of each balance sheet term; attendance information is posted on the website under Investment Relations section and distributed via e-mail to persons and enterprises recorded in the Company database.

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

4. Information on the General Shareholders' Meetings

The Ordinary General Meeting convened on April 19, 2007 at 10:00 a.m. in the registered office of the Company at Abdurrahman Gazi Mahallesi, Ebubekir Caddesi, No:289, Samandıra, Istanbul under the supervision of Commissary of the Ministry, Demir Inal appointed in accordance with the writing dated April 18, 2007 Nr. 22925 issued by the Ministry of Industry and Trade, Istanbul Provincial Directorate of Industry and Trade.

Invitation to the General Meeting was announced by letter and published in a gazette. The meeting agenda was disclosed to the public before the meeting date by means of material disclosure and posted on the web site. According to the List of Attendants, 6,737,348 shares were represented in person and 6,252,776 shares were represented by proxy of total 25,300,000 shares corresponding to the Company's total capital stock of YTL 25,300,000. During the General Assembly, no motion was proposed by shareholders that would necessitate an amendment to the Articles of Association. Questions raised at the meeting by the shareholders were responded openly and orally. The Minutes of the General Shareholders' Meeting were published in the Turkish Trade Registry Gazette issue Nr. 6800 dated May 3, 2007 and Turkish version and English translations were posted on the Company's website, www.bim.com.tr, under

Investor Relations. The meeting minutes have also been made available for the review of shareholders in the registered office of the Company.

5. Voting Rights and Minority Rights

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

6. Dividend Payment Policy and Timing

The Company policy for distribution of profit, as stipulated by the General Assembly, is to distribute a minimum 30% of the distributable profit gained in 2007 and the following years; this policy has been disclosed by means of material disclosure during the year.

Whereas the Articles of Associations do not entitle any privileges regarding voting rights, no privileges exist concerning the distribution of profit. The timeline for distribution of profits is determined by the General Shareholder's Meeting upon the request of the Board of Directors in accordance with the provisions of the Turkish Commercial Code and Capital Markets legislation. Year 2007 profit distribution was realized within the legal timeframe.

7. Transfer of Shares

Shares are transferred in accordance with the provisions of the Turkish Commercial Code and other relevant legislation.

Part II- Public Disclosure and Transparency

8. Company Disclosure Policy

The Company makes timely public disclosure on matters specified in the Communiqué Nr. 39 Serial Nr: VIII on Principles for Material Disclosures of CMB. The Investor Relations Unit correctly, accurately and equally responds to the questions of shareholders to the best of its ability. Names and contact information of employees responsible for the implementation of disclosure policy are provided in Article 2 of the Report.

9. Special Circumstance Announcements

The Company made 61 special circumstance announcements in 2007, including one additional disclosure dated January 2, 2008 made upon the request of the ISE in addition to the special circumstance announcements made on December 31, 2007 regarding land acquisition. All special circumstance announcements have been made in a timely manner without exception.

The announcements are also available on the Company's website at www.bim.com.tr

10. Company Website and Contents

The Company's website is www.bim.com.tr. Information concerning shareholders is provided under the Investor Relations section together with the English translations thereof posted under the following headings:

- Company Name
- Shareholding Structure
- Board of Directors and Executive Management
- Corporate Governance Principles Compliance Reports
- Financial Reports
- Ist. Stock Exchange Filings
- Financial Calendar
- Information on the General Shareholders' Meetings
- Investor Relations Contact

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

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

Shareholder	Number of Shares	Share Ratio %
Mustafa Latif Topbaş	5,064,416	20.02
Abdulrahman A. El Khereji	4,702,100	18.59
Ahmet Afif Topbaş	1,608,500	6.36
Zuhair Fayez	998,275	3.95
İbrahim Halit Çizmeci	300,000	1.18
Ömer Hulusi Topbaş	30,000	0.11
Other (Publicly-traded)	12,596,709	49.79
Total	25,300,000	100.00

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12. Public Disclosures of those who may Have Access to Insider Information

Members of the Board of Directors, Auditors and senior management are listed below and have been publicly disclosed on the Company's website.

Board of Directors

Mustafa Latif Topbaş	Chairman
Mehmet Fatih Saraç*	Vice Chairman

* (Left office as of January 30, 2008)

Ekrem Pakdemirli	Board Member
Mahmut P. K. Merali	Board Member
Ömer Hulusi Topbaş	Board Member
Zeki Ziya Sözen	Board Member
Yalçın Öner	Board Member

Auditors

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

Senior Management

Jos Simons	CEO
Galip Aykaç	COO
Ürfet Naçar	Member of the Operation Committee
Bülent Pehlivan	Member of the Operation Committee
Haluk Dortluoğlu	Member of the Operation Committee and CFO
Muharrem Arslantürk	Member of the Operation Committee
Ünsal Çetinkaya	Purchasing General Manager

Part III-Stakeholders

13. Informing Stakeholders

Pursuant to applicable legislations, stakeholders are informed on matters of their concern with the exception of trade secrets, by appropriate means of communication.

14. Stakeholders' Participation in Management

Meetings are held with employees and other stakeholders to improve efficiency on relevant issues and motions proposed therein are evaluated by the senior management. Furthermore, employees are encouraged to freely communicate their complaints, criticism and suggestions on the working procedures of relevant units.

15. Human Resources Policy

As specified in the BİM Organization Objectives, the Company objectives can only be attained with the contribution of employees. BİM Personnel Regulations provides guidelines for personnel rights and working terms and regulates the working arrangement in accordance with the said objectives. Employee relationships are managed by the personnel and administrative affairs units employed in the headquarters and 16 regional warehouses.

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

16. Information on Customer and Supplier Relationships

The Company's business model is based on mutual trust which therefore requires paying maximum attention to the relationships both with customers and suppliers. The Company grants its customers the right to return any product without time limitation on the basis of its no-questions-asked return policy. For years, BİM has been implementing its policy to return any savings gained from operational costs as discounts to its customers. These policies and their effective implementation allow maximization of customers trust in the Company.

As required by company policy, suppliers are considered business partners with whom long and reliable relationships are built.

17. Social Responsibility

The Company is not involved in any production activity. Nylon and carton wastes are carefully transported to BİM warehouses from stores without damage to the environment and sold based on contracts with certain recycling companies.

BİM works in coordination with the Turkish Quality Control Laboratory and the TÜBİTAK Research Institute in an effort to inspect the quality of its product portfolio. TÜBİTAK conducts chemical and biological testing on products sold by BİM and subjects its production facilities to stringent quality control.

Furthermore, product sampling is conducted at the Istanbul Headquarters as well as other regional organizations for quality control testing purposes. Before the introduction of new products, quality and preference tests are performed on the product, as well as equivalent and competitive products, to compare the results.

Part IV-Board of Directors

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

The Board of Directors is responsible for the management and representation of the Company. The Board consists of seven members elected by the General Meeting in accordance with the provisions of the Turkish Commercial Code. Two members are independent Board members as defined in the Corporate Governance Guide by the Capital Markets Board of Turkey. None of these members holds an executive position in the Company. Article 19 of Company's Articles of Association imposes a restriction that Board members cannot effect the operations stipulated in Articles 334 and 335 of Turkish Commercial Code without the consent of the General Meeting. Names of current Board members are listed under Article 12 of the Report.

19. Qualifications of the Board Members

The Members of the Board of Directors are knowledgeable and experienced individuals who possess the qualifications mentioned in the CMB's Corporate Governance Principles. The Articles of Association of the Company do not provide any further arrangements concerning the minimum qualifications required for membership appointment.

20. Mission, Vision and Strategic Objectives of the Company

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

In the long term:

- BIM has the largest revenue share in the food retailing sector
- Its product range is approximately 600.
- Company principles rely on being honest, reliable and fair. BIM will retain its modesty no matter how much the Company grows.
- Regardless of race, religion or language, it is the Company's eminent responsibility to remain unbiased and provide understanding to all employees. BIM respects the personal life of each and every one of its employees unless it offends other people or damages the Company. BIM avoids any excesses that might disturb its customers.

The Board of Directors analyzes financial data on a monthly basis to ascertain the extent company objectives are attained.

21. Risk Management and Internal Control Mechanism

The Company has developed relevant "policies" and "procedures" in line with the business processes, performed functional task distribution within the organization, implemented approval and authorization systems within processes and regulated procedures regarding the reconciliation and protection of physical assets of the Company in consideration of risk exposure and ways of avoiding risk within the scope of risk management and internal control mechanisms. Efficient reporting and management-surveillance practices are also established within the course of business.

An Internal Auditing Unit is appointed in the Company responsible for risk management and independent evaluation of internal control processes. All company operations are included within the responsibilities of Internal Audit Unit and audited pursuant to annual plans. The Internal Audit Unit regularly reports to Senior Management and to the Committee responsible for Audit and Wages, which is appointed by the Board of Directors.

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

The Board of Directors performs the duties stipulated by laws and the Articles of Associations. The Company is represented and controlled by the Board of Directors which is entitled to carry out any transaction, legal, financial and technical work related to the objectives and scope of the Company on behalf of the Company and to use the trade name of the Company for the foregoing purposes.

23. Operating Principles of the Board of Directors

The Board of Directors shall convene when deemed necessary for the business and operations of the Company and upon the call of the Chairman as provided in the Company's Articles of Associations. In any case, the Board of Directors shall convene once every three months. The Chairman shall call the Board of Directors to the meeting upon the request of any Board member. If the Chairman does not convene the meeting within ten business days following the request, Vice-Chairman shall be entitled to call the Board to a meeting. The invitation for a meeting and meeting agenda shall be sent to each member by registered mail, hand-delivered or sent via fax or telex at least 15 days prior to the scheduled meeting date. The meeting may be held at the Company's registered office, in Turkey or any other place the Board unanimously decides. The members of the Board are entitled to equal voting rights; they are not entitled to cast a negative vote. The Board of Directors shall prepare the agenda based on emerging requirements. The Secretary of the Board of Directors shall inform and communicate with the Board of Directors.

The Board of Directors convened 12 times within 2007 and adopted resolutions 14 times by obtaining the consent of its members without meeting in accordance with Article 330/2 of Turkish Commercial Code. None of the members voted against the decisions.

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

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

25. Rules of Ethics

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

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

The Board of Directors has established a Related Parties Committee and an Audit Committee. These committees are appointed to ensure that the Board of Directors fulfills its duties and responsibilities duly and precisely in line with the requirements and conditions of the Company and further these committees submit reports prepared on a quarterly basis to the Board of Directors. The committees are composed of three members, including two members that serve in both committees. Committee members do not hold executive positions in the Company. The committees each have an independent member; the Board of Directors has not yet established a Corporate Governance Committee.

27. Financial Benefits of the Board of Directors

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