BİM Birleşik Mağazalar Anonim Şirketi

Financial Statements
September 30, 2007

BİM BİRLEŞİK MAĞAZALAR A.Ş.

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BİM Birleşik Mağazalar Anonim Şirketi

BALANCE SHEET
As at September 30, 2007
(Currency – Thousands of New Turkish Lira (YTL))

	Notes	September 30, 2007	December 31, 2006
ASSETS			
Current assets			
Cash and cash equivalents	3	**75,080**	81,085
Trade receivables, net	4, 9	**103,630**	66,437
Inventories, net	5, 9	**219,872**	149,154
Prepayments and other current assets	6	**3,942**	6,167
Total current assets		**402,524**	302,843
Property and equipment	7	**230,551**	170,176
Intangibles, net	8	**1,331**	1,303
Other non-current assets		**1,646**	773
Total non-current assets		**233,528**	172,252
Total assets		**636,052**	475,095
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables, net	9	**428,192**	295,283
Income tax payable	11	**7,410**	3,368
Other payables and accrued liabilities	9, 10	**17,528**	13,341
Total current liabilities		**453,130**	311,992
Reserve for long-term defined employee benefit plan	12	**5,425**	4,307
Deferred tax liability	11	**8,162**	8,641
Other non-current liabilities	10	**200**	700
Total non-current liabilities		**13,787**	13,648
Equity			
Share capital	13	**33,721**	33,721
Revaluation surplus	7	**12,776**	12,776
Legal reserves and retained earnings	22	**122,638**	102,958
Total equity		**169,135**	149,455
Total liabilities and equity		**636,052**	475,095

The accompanying policies and explanatory notes on pages 5 through 30 form an integral part of the financial statements.

STATEMENT OF INCOME
For the nine-months period ended September 30, 2007
(Currency – Thousands of New Turkish Lira (YTL))

	Notes	**Not Reviewed** **January 1, 2007 - September 30, 2007**	Not Reviewed July 1, 2007 - September 30, 2007	Not Reviewed January 1, 2006 - September 30, 2006	Not Reviewed July 1, 2006 - September 30, 2006
Net sales		**2,154,398**	800,401	1,593,835	593,707
Cost of sales	9, 15	**(1,778,759)**	(659,180)	(1,308,655)	(488,281)
Gross profit		**375,639**	141,221	285,180	105,426
Selling and marketing expenses	9, 16,18	**(248,218)**	(90,906)	(189,990)	(71,223)
General and administrative expenses	9, 17,18	**(42,342)**	(14,998)	(34,048)	(11,753)
Financial income	9, 19	**3,905**	559	4,747	1,783
Financial expense		**(746)**	(286)	(465)	(166)
Other income / expense, net	20	**6,328**	2,045	2,181	1,017
Profit before tax		**94.566**	37,635	67,605	25,084
Tax charge					
- Current	11	**(19,705)**	(7,752)	(14,057)	(5,028)
- Deferred	11	**479**	38	3,452	(77)
Net profit		**75,340**	29,921	57,000	19,979
Weighted average number of shares (1 YTL par value each)		**25,300,000**	25,300,000	25,300,000	25,300,000
Basic earnings per share (full YTL)	21	**2.978**	1.183	2.253	0.790

The accompanying policies and explanatory notes on 5 through 30 form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
For the nine-months period ended September 30, 2007
(Currency – Thousands of New Turkish Lira (YTL))

	Share Capital	Revaluation Surplus	Legal Reserves	Retained Earnings	Total
At January 1, 2006	33,721	5,316	3,042	53,436	95,515
Dividends paid	-	-	-	(25,300)	(25,300)
Transfer to legal reserves	-	-	3,911	(3,911)	-
The effect of change in tax rate	-	519	-	-	519
Net profit for the period	-	-	-	57,000	57,000
At September 30, 2006	33,721	5,835	6,953	81,225	127,734
At January 1, 2007	**33,721**	**12,776**	**7,894**	**95,064**	**149,455**
Dividends paid	**-**	**-**	**-**	**(55,660)**	**(55,660)**
Transfer to legal reserves	**-**	**-**	**13,482**	**(13,482)**	**-**
Net profit for the period	**-**	**-**	**-**	**75,340**	**75,340**
At September 30, 2007	**33,721**	**12,776**	**21,376**	**101,262**	**169,135**

The accompanying policies and explanatory notes on pages 5 through 30 form an integral part of the financial statements.

STATEMENT OF CASH FLOWS
For the nine-months period ended September 30, 2007
(Currency – Thousands of New Turkish Lira (YTL))

	Notes	**January 1 - September 30, 2007**	January 1 - September 30, 2006
Cash flows from operating activities			
Net income before monetary gain and tax charge		**94,566**	67,605
Adjustments to reconcile net income to net cash provided by operating activities :			
Depreciation and amortization	7, 8	**24,389**	19,984
Reserve for long-term defined employee benefit plan	12, 16, 17	**1,454**	1,117
Financial expense of long-term defined employee benefit plan	12, 19	**340**	246
Profit share income from deposit accounts	19	**(3,684)**	(4,428)
Reserve for inventories, net	5	**1,033**	-
Loss on sale of property and equipment and intangibles	7, 8, 20	**693**	340
		118,791	84,864
Changes in working capital			
Trade receivables	4, 9	**(37,223)**	(24,346)
Inventories	5	**(71,751)**	(35,945)
Prepayments and other current assets	6	**2,255**	(445)
Other non-current assets		**(873)**	(520)
Trade payables	9	**132,909**	97,091
Other payables and accrued liabilities	10	**4,553**	3,103
Other non-current liabilities		**(500)**	-
Profit share received from deposit account	19	**3,684**	4,428
Taxes paid	11	**(15,663)**	(13,685)
Employee benefit payments	12	**(675)**	(472)
Net cash generated by operating activities		**135,507**	114,073
Cash flows from investing activities:			
Purchase of property and equipment and intangibles	7, 8	**(86,862)**	(50,181)
Proceeds from sale of property and equipment and intangibles	7, 8	**1,377**	1,560
Net cash used in investing activities		**(85,485)**	(48,621)
Cash flows from financing activities:			
Dividends paid	9, 21	**(56,027)**	(24,933)
Net cash used in financing activities		**(56,027)**	(24,933)
Decrease in cash and cash equivalents		**(6,005)**	40,519
Cash and cash equivalents at the beginning of the period	3	**81,085**	60,335
Cash and cash equivalents at the end of the period	3	**75,080**	100,854

The accompanying policies and explanatory notes on pages 5 through 30 form an integral part of the financial statements.

1. Corporate Information

General

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

The financial statements prepared in accordance with International Financial Reporting Standards (IFRS) were authorized for issue on November 1, 2007 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.

Nature of Activities of the Company

The Company is engaged in operating retail stores of fast moving basic consumer goods through its retail shops throughout Turkey, which sell an assortment of approximately 600 items, including a number of private labels. As of September 30, 2007, the Company operated through 16 warehouses (December 31, 2006 - 14) in various cities in Turkey. As of September 30, 2007, the number of stores is 1,691 (December 31, 2006 - 1,454).

2.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention, except for land and building which are carried at fair value.

The Company maintains its books of account and prepares its statutory financial statements in New Turkish Lira (YTL) in accordance with Turkish Commercial Code and Tax Legislation and the generally accepted accounting principles issued by the Turkish Capital Market Board (CMB). These financial statements have been prepared from the statutory financial statements of the Company with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRS. Such adjustments mainly comprise effects of restatement for the changes in the general purchasing power of YTL (until December 31, 2005), provision for inventories, deferred taxation, employee termination benefits, revaluation of land and building.

2.2 Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

- *IFRS 7, Financial Instruments: Disclosures, and a complementary amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures (effective for financial years beginning on or after 1 January 2007)*

  IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. It replaces IAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions, and disclosure requirements in IAS 32, Financial Instruments: Disclosure and Presentation. It is applicable to all entities that report under IFRS. The amendment to IAS 1 introduces disclosures about the level of an entity's capital and how it manages capital. The Company assessed the impact of IFRS 7 and the amendment to IAS 1 and concluded that the main additional disclosures are the sensitivity analysis to market risk and the capital.

2.2 Changes in Accounting Policies (continued)

- *IFRIC 11, IFRS 2-Company and Treasury Share Transactions (effective for financial years beginning on or after 1 March 2007)*

  This Interpretation requires arrangements whereby an employee is granted rights to an entity's equity instruments to be accounted for as an equity-settled scheme by an entity even if the entity chooses or is required to buy those equity instruments from another party, or the shareholders of the entity provide the equity instruments needed. The Interpretation also extends to the way in which subsidiaries, in their separate financial statements, account for schemes when their employees receive rights to equity instruments of the parent. IFRIC 11 is not relevant to the Company's operations.

Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 30 September 2007 or later periods but which the Company has not early adopted, as follows:

- *IFRS 8, Operating Segments (effective for financial years beginning on or after 1 January 2009)*

  IFRS 8 replaces IAS 14 *Segment Reporting* and adopts a management approach to segment reporting. The information reported would be that which management uses internally for evaluating the performance of operating segments and allocating resources to those segments. This information may be different from that reported in the balance sheet and income statement and entities will need to provide explanations and reconciliations of the differences. The Company is in the process of assessing the impact this new standard will have on its financial statements.

- *IFRIC 12, Service Concession Arrangements (effective for financial years beginning on or after 1 January 2008)*

  The interpretation outlines an approach to account for contractual arrangements arising from entities providing public services. It provides for the operator not to account for the infrastructure as property, plant and equipment, but recognize a financial asset and / or an intangible asset. IFRIC 12 is not relevant to the Company's operations.

  IFRIC 13 "Customer Loyalty Programmes": The interpretation specifies how do the loyalty programmes should be accounted for and is effective for annual periods beginning on or after July 1, 2008. Earlier application permitted. Management of the Company is still assessing the impact of this interpretation on its financial statements.

- *IAS 23 Borrowing Costs*

  IAS 23 requires all borrowing costs must be capitalized if they are directly attributable to the acquisition, construction or production of a qualifying asset. The choice to immediately recognize such costs as an expense is eliminated.

2.3 Significant Accounting Judgments and Estimates

The preparation of the financial statements in accordance with IFRS requires management to make judgments and estimates that affect the reported amounts of assets and liabilities within the next financial year. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of liabilities within the next financial year and the significant judgments with the most significant effect on amounts recognized in the financial statements are discussed in the relevant sections of Note 2.4 and 2.5, below, which are mainly related with the application of IAS 29, accounting of employee termination benefits, provision for inventories, revaluation of land and buildings, assessment of economic useful lives of property and equipment and intangibles, impairment of assets and adequacy of provision for income taxes.

2.4 Functional and Presentation Currency

Functional and reporting currency of the Company is YTL. Until December 31, 2005, the consolidated financial statements were restated for the changes in the general purchasing power of YTL based on IAS 29 (“Financial Reporting in Hyperinflationary Economies”). Since the objective conditions for the restatement in hyperinflationary economies was no longer available at that time, Turkey came off hyperinflationary status effective from January 1, 2006. The financial statements were restated until December 31, 2005 in accordance with IAS 29. Therefore, the non-monetary assets and liabilities and components of shareholders’ equity including share capital reported in the balance sheet as of December 31, 2007 and 2006 are derived by indexing the additions occurred until December 31, 2005 to December 31, 2005 and carrying the additions after this date with their nominal amounts.

2.5 Summary of Significant Accounting Policies

Restatement of balance sheet and income statement items through the use of a general price index and relevant conversion factors does not necessarily mean that the Company could realize or settle the same values of assets and liabilities as indicated in the balance sheets. Similarly, it does not necessarily mean that the Company could return or settle the same values of equity to its shareholders.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash at banks and on hand and cash in transit. Cash and cash equivalents consist of short-term highly liquid investments including time deposits generally having original maturities of three months or less.

Trade Receivables

Trade receivables, which generally have an average of 10 day term (December 31, 2006 - 10 days) are carried at amortized cost less an allowance for any uncollectible amounts. Provision is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined by the first in first out method.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

2.5 Summary of Significant Accounting Policies (continued)

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 historical cost less accumulated depreciation and accumulated impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the income statement. 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 to its working condition and location for its intended 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. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, 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 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:

	Years
Land improvements	5
Building	25
Machinery and equipment	7, 10
Furniture and fixtures	5
Vehicles	5
Leasehold improvements	10

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

Intangible Assets

Intangible assets which mainly comprise software rights are measured initially at cost. Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise; and the cost of the asset can be measured reliably. After initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets excluding development costs, created within the business are not capitalized and expenditure is charged against profits in the year in which it is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized on a straight line basis over the best estimate of their useful lives. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset.

2.5 Summary of Significant Accounting Policies (continued)

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

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 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 for items carried at cost and treated as a revaluation decrease for items carried at revalued amount to the extent that impairment loss does not exceed the amount held in the revaluation surplus. The recoverable amount of property and equipment is the greater of net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while 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. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or has decreased. The reversal is recorded in income or as a revaluation increase.

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.

Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

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 recognised as an expense in the income statement on a straight-line basis over the lease term.

2.5 Summary of Significant Accounting Policies (continued)

Related Parties

Parties are considered related to the Company if;

(a) directly, or indirectly through one or more intermediaries, the party:

  (i) controls, is controlled by, or is under common control with, the Company (this includes parents, subsidiaries and fellow subsidiaries);
  (ii) has an interest in the Company that gives it significant influence over the Company; or
  (iii) has joint control over the Company;

(b) the party is an associate of the Company;
(c) the party is a joint venture in which the Company is a venturer;
(d) the party is member of the key management personnel of the Company or its parent;
(e) the party is a close member of the family of any individual referred to in (a) or (d);
(f) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e);
(g) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

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

Trade Payables

Trade payables which generally have an average of 50 day term (December 31, 2006 – 49 day) are carried at amortized cost which is the fair value of consideration to be paid in the future for goods and services received, whether or not billed to the Company.

Income Taxes

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

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted by the balance sheet date.

Deferred tax

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

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

2.5 Summary of Significant Accounting Policies (continued)

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

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

Provisions

Provisions are recognised when the Company 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.

Contingent Assets and Liabilities

Contingent liabilities are not recognised in the financial statements. They are disclosed only, unless the possibility of an outflow of resources embodying economic benefits is probable. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

Long-term Employee Benefits

(a) Defined Benefit Plans:

In accordance with existing social legislation in Turkey, the Company is required to make lump-sum termination indemnities 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 discussed in Note 12, the reserve for employee termination benefits is provided for in accordance with IAS 19 “Employee Benefits” and is based on an independent actuarial study.

In the financial statements, the Company has recognised a liability using the “Projected Unit Credit Method”. Actuarial gains and losses are recognized as income or expense when the cumulative unrecognized actuarial gains or losses exceed 10% of the present value of the defined benefit obligation, in accordance with the valuation made by the qualified actuaries. Actuarial gains and losses are recognized over the average remaining working lives of employees. The employee termination benefits are discounted to the present value of the estimated future cash outflows using the discount rate estimate of qualified actuaries.

(b) Defined Contribution Plans:

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

(Currency – Thousands of New Turkish Lira (YTL) unless otherwise indicated)

2.5 Summary of Significant Accounting Policies (continued)

Foreign Currency Transactions

Transactions in foreign currencies during the years have been translated at the exchange rates prevailing at the dates of such transactions. Monetary balance sheet items denominated in foreign currencies have been translated at the exchange rates prevailing at the balance sheet date. All differences are taken to the income statement.

Foreign currency translation rates used by the Company as of September 30, 2007 are as follows:

Dates	USD / YTL (full)	EUR / YTL (full)
September 30, 2007	1,2048	1,7086
December 31, 2006	1,4056	1,8515

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.

Sale of goods

Revenue is recognised net of discounts and Value Added Tax (VAT) when delivery has taken place and transfer of risks and rewards has been completed.

Profit share income

Revenue is recognised as profit share accrues.

Earnings per Share

Earnings per share disclosed in the income statement are determined by dividing net income by the weighted average number of shares that have been outstanding during the related year concerned.

In Turkey, companies can increase their share capital by making a pro rata distribution of shares (Bonus Shares) to existing shareholders without a consideration for amounts resolved to be transferred to share capital from retained earnings. For the purpose of the EPS calculation, such Bonus Share distributions are regarded as stock dividends.

Subsequent Events

Post year/period-end events that provide additional information about the Company'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.

Borrowing Costs

Borrowing costs are expensed as incurred.

2.5 Summary of Significant Accounting Policies (continued)

Investments and Other Financial Assets

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, as appropriate. When financial assets are recognised 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 Company determines the classification of its financial assets after initial recognition and, where allowed and appropriate re-evaluates this designation at each financial year/period-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

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 amortised cost using the effective interest method. Gains and losses are recognised in income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Derecognition of Financial Assets and Liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized where:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Company's continuing involvement is the

amount of the transferred asset that the Company may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Company's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(Currency – Thousands of New Turkish Lira (YTL) unless otherwise indicated)

2.5 Summary of Significant Accounting Policies (continued)

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Segment Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments. As the Company operates in a single business segment and in one country, there is no basis for segment reporting.

3. Cash and Cash Equivalents

	September 30, 2007	December 31, 2006
Cash on hand	**20,906**	17,761
Cash at banks (demand deposits)	**20,560**	7,742
Cash at banks (time deposits) (*)	**20,034**	38,547
Cash in transit	**13,580**	17,035
	75,080	81,085

(*) Time deposits are profit/loss participation accounts in New Turkish Lira and foreign currency are opened on the basis of profit/loss participation whereby the funds invested are directly used in interest – free financing of trade and industry. Profit share amounts are collected at maturity. Profit share rate of YTL and foreign currency time deposits at September 30, 2007 is 13.1% and 5.1% per annum, respectively (December 31, 2006 – 13.6% for YTL - none for foreign currency items) and maturity of time deposits is 30 days (December 31, 2006 - 30 days).

There is no restricted cash as of September 30, 2007 and December 31, 2006.

(Currency – Thousands of New Turkish Lira (YTL) unless otherwise indicated)

4. Trade Receivables

	September 30, 2007	December 31, 2006
Credit card receivables	**101,907**	65,531
Trade receivables	**1,637**	1,007
Advances given	**453**	112
Other receivables	**157**	311
Provision for doubtful receivables	**(524)**	(524)
	103,630	66,437

As of September 30, 2007 and December 31, 2006, the average term of trade receivables is 10 days.

5. Inventories, net

	September 30, 2007	December 31, 2006
Trade goods	**199,897**	138,524
Advances given	**19,484**	9,629
Other stocks	**491**	1,001
	219,872	149,154

As of September 30, 2007, reserve provided for net realizable value and slow moving of trade goods amounted to YTL 2,340 (December 31, 2006 – 1,307).

6. Prepayments and Other Current Assets

As of September 30, 2007, prepayments and other current assets mainly include prepaid rent, prepaid insurance premiums and due from personnel totaling to YTL 3,942 (December 31, 2006 - YTL 6,167).

(Currency – Thousands of New Turkish Lira (YTL) unless otherwise indicated)

7. Property and Equipment

The movements of property and equipment and the related accumulated depreciation and impairment losses for the periods ended September 30, 2007 and September 30, 2006 are as follows:

	December 31, 2006	Additions	Disposals	Transfers	**September 30, 2007**
Cost or revalued amount					
Land	14,961	6,569	-	1,800	**23,330**
Land improvements	353	31	-	-	**384**
Building	17,598	1,297	-	17,034	**35,929**
Machinery and equipment	130,131	18,858	(430)	38	**148,597**
Vehicles	24,618	7,653	(2,716)	180	**29,735**
Furniture and fixtures	56,017	10,460	(172)	21	**66,326**
Leasehold improvements	67,588	20,093	(1,809)	-	**85,872**
Construction in progress	34	17,387	-	(17,034)	**386**
Advances given	4,597	4,066	-	(2,039)	**6,624**
	315,897	86,413	(5,127)	-	**397,183**
Accumulated depreciation					
Land improvements	181	32	-	-	**213**
Building	-	815	-	-	**815**
Machinery and equipment	73,256	8,078	(246)	-	**81,088**
Vehicles	8,818	3,784	(1,702)	-	**10,900**
Furniture and fixtures	37,740	5,851	(137)	-	**43,454**
Leasehold improvements	25,726	5,408	(972)	-	**30,162**
	145,721	23,968	(3,057)		**166,632**
Net book value	170,176				**230,551**

	December 31, 2005	Additions	Disposals	Transfers	**September 30, 2006**
Cost or revalued amount					
Land	3,836	1,919	-	-	**5,755**
Land improvements	180	7	-	-	**187**
Building	9,102	-	-	-	**9,102**
Machinery and equipment	109,070	13,596	(159)	2,132	**124,639**
Vehicles	18,617	7,899	(3,485)	-	**23,031**
Furniture and fixtures	45,789	7,277	(99)	-	**52,967**
Leasehold improvements	51,394	10,714	(410)	-	**61,698**
Construction in progress	-	2,318	-	-	**2,318**
Advances given	1,279	6,228	-	(2,132)	**5,375**
	239,267	49,958	(4,153)	-	**285,072**
Accumulated depreciation					
Land improvements	164	10	-	-	**174**
Building	2,999	267	-	-	**3,266**
Machinery and equipment	63,062	7,642	(54)	-	**70,650**
Vehicles	7,446	2,868	(1,973)	-	**8,341**
Furniture and fixtures	31,642	4,671	(72)	-	**36,241**
Leasehold improvements	21,191	3,976	(156)	-	**25,011**
	126,504	19,434	(2,255)	-	**143,683**
Net book value	112,763				**141,389**

The land and buildings were revalued originally based on independent valuation performed in 2002. 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.

(Currency – Thousands of New Turkish Lira (YTL) unless otherwise indicated)

7. Property and Equipment (continued)

A second revaluation was made for the land and the buildings by independent valuers licensed by the CMB in January 2007. The valuation made on the basis of the market value in YTL was reflected to the accounts as of December 31, 2006. Accumulated depreciation of the revalued land and building has been eliminated against the gross carrying amounts of related assets as of December 31, 2006 and the net amount is restated to the revalued amount. The resulting surplus net of deferred income tax was credited to revaluation surplus in the equity.

The revaluation surplus is not available for distribution to shareholders.

Had the revalued assets been carried at cost less accumulated depreciation, the carrying amounts of land and building that would have been included in the financial statements as of September 30, 2007 and December 31, 2006 respectively are as follows:

	Land and buildings	
	September 30, 2007	December 31, 2006
Cost	**6,657**	6,959
Accumulated depreciation	**(2,799)**	(2,358)

Movements of the revaluation reserve of land and buildings are as follows:

	For the nine months period ended September 30, 2007	For the nine months period ended September 30, 2006
Balance at January 1,	**12,874**	5,316
The effect of change in tax rate	**-**	519
Revaluation surplus (Net of tax)	**-**	-
Balance at the end of the year	**12.874**	5,835

As of September 30, 2007 and December 31, 2006, the gross carrying amount of property and equipment and intangibles, which are fully depreciated, but still in use, is as follows:

	September 30, 2007	December 31, 2006
Furniture and fixtures	**25,609**	21,562
Machinery and equipment	**38,255**	29,592
Intangibles and leasehold improvements	**8.403**	8,293
Vehicles	**864**	1,082
Land improvements	**176**	123
	73,307	60,652

(Currency – Thousands of New Turkish Lira (YTL) unless otherwise indicated)

8. Intangibles

The movements of intangibles and related accumulated amortization for the periods ended September 30, 2007 and September 30, 2006 are as follows:

	December 31, 2006	**Additions**	**Disposals**	**September 30, 2007**
Cost				
Software licenses	**4,806**	**449**	**-**	**5,255**
Other intangibles	**343**	**-**	**-**	**343**
	5,149	**449**	**-**	**5,598**
Accumulated amortization				
Software licenses	**3,509**	**421**	**-**	**3,930**
Other intangibles	**337**	**-**	**-**	**337**
	3,846	**421**	**-**	**4,267**
Net book value	**1,303**			**1,331**

	December 31, 2005	Additions	Disposals	September 30, 2006
Cost				
Software rights	4,527	223	(2)	4,748
Other intangibles	343	-	-	343
	4,870	223	(2)	5,091
Accumulated amortization				
Software rights	2,926	550	-	3,476
Other intangibles	336	-	-	336
	3,262	550	-	3,812
Net book value	1,608			1,279

The estimated useful lives of intangibles are 5 years.

(Currency – Thousands of New Turkish Lira (YTL) unless otherwise indicated)

9. Related Party Balances and Transactions

The balances with related parties for the periods ended September 30, 2007 and December 31, 2006 are as follows:

Balances

	September 30, 2007	December 31, 2006
Ak Gıda A.Ş. (Ak Gıda) (1)	**30,288**	21,566
Teközel Gıda Tem.Sağ.Mar.Ltd.Şti (Teközel) (1)	**12,664**	-
Nimet Gıda Sanayi ve Ticaret A.Ş. (Nimet) (1)	**11,159**	8,040
Ahsen Plastik Sanayi ve Ticaret A.Ş. (Ahsen) (1)	**7,557**	5,664
Natura Gıda Sanayi ve Ticaret A.Ş. (Natura) (2)	**3,606**	48
Noble Pazarlama Satış ve Dağıtım A.Ş. (Noble) (2)	**2,151**	1,814
Plas Plastik ve Ambalaj Sanayi ve Ticaret Ltd. Şti. (Plas Plastik) (1)	**2,131**	1,754
Taptaze Gıda San. ve Tic. A.Ş. (Taptaze) (2)	**1,934**	3,386
ZTH Zincir Mağazalar Tedarik Hizmetleri (ZTH) (2)	**1,837**	129
Pak Kağıtçılık San. ve Tic. A.Ş. (Pak Kağıtçılık) (1)	**1,579**	1,309
ETM Ev Tüketim Malları Sanayi ve Ticaret A.Ş. (ETM) (1)	**995**	917
Seher Gıda Paz. San. ve Tic. A.Ş. (Seher) (1)	**26**	19
Baharsu San. ve Tic. A.Ş. (Baharsu) (1)	**-**	1,094
ELK Elektrik ve Elektronik Ev Aletleri (ELK) (2)	**-**	439
	75,927	46,179

(1) Companies owned by Shareholders,
(2) Companies owned by the members of the Board of Directors,

As of December 31, 2006, the Company has dividends payable to its shareholders amounting to YTL 367, which was fully paid in the first half of 2007 (September 30, 2007- nil).

(Currency – Thousands of New Turkish Lira (YTL) unless otherwise indicated)

9. Related Party Balances and Transactions (continued)

Transactions

For the nine moths period ended September 30, 2007 and September 30, 2006, summary of the major transactions with related parties are as follows:

a) Major purchases from related parties in the normal course of business are as follows:

	January 1 - September 30, 2007	January 1 - September 30, 2006
Ak Gıda (1)	**176,299**	118,132
Nimet (1)	**64,475**	45,624
Ahsen (1)	**23,507**	15,285
Teközel (1)	**22,399**	-
Pak Kağıtçılık (1)	**19,924**	15,066
Noble (2)	**16,694**	17,771
Taptaze (2)	**14,070**	-
Natura (2)	**12,980**	7,967
Plas Plastik (1)	**11,058**	8,860
ZTH (2)	**9,488**	14,426
ELK (2)	**5,489**	-
Bahariye Tekstil Ticaret San A.Ş.	**3,073**	2,576
ETM (1)	**3,006**	-
Seher (1)	**87**	-
Baharsu (1)	**-**	8,409
Nice İç ve Dış Tic. Ltd. Şti. (1)	**-**	579
	382,549	254,695

(1) Companies owned by Shareholders.
(2) Companies owned by the members of Board of Directors.

(b) For the nine months period ended September 30, 2007 and September 30, 2006, bonus and payroll expenses of the board members and key management personnel amounted to YTL 5,201 (36 persons) and YTL 4,459 (33 persons) respectively.

10. Other Payables and Accrued Liabilities

	September 30, 2007	December 31, 2006
Payroll withholdings, social security taxes and other taxes	**12,919**	10,057
VAT payable	**832**	370
Other (Notes 9 and 21) (*)	**3,776**	2,914
	17,527	13,341

(*) Includes the notes payable amounting to 1,000 YTL that was issued to acquire a land in Kayseri and short term portion of the notes payable amounting to 78,400 USD that was issued to acquire a land in Balıkesir. Other non current liabilities consist of long term portion of notes payable issued to acquire a land in Balıkesir which amounted 158,760 USD.

(Currency – Thousands of New Turkish Lira (YTL) unless otherwise indicated)

11. Taxes

General Information

In Turkey, the corporation tax rate for the fiscal year beginning from January 1, 2006 is 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 2003 and prior years, corporation tax was computed on the statutory income tax base without any adjustment for inflation accounting. Starting from January 1, 2004, the statutory financial statements from which taxable income is derived are adjusted for inflation. Accumulated earnings arising from the first application of inflation accounting on the December 31, 2003 balance sheet are not subject to corporation tax, and similarly accumulated deficits arising from such application are not deductible for tax purposes. Moreover, accumulated tax loss carry-forwards related to 2003 and prior periods will be utilized at their historical (nominal) values in 2004 and future years. The Ministry of finance ceased the inflation accounting in statutory books of accounts effective from January 1, 2005.

Corporate tax losses can be carried forward for a maximum period of five 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.

Tax Reconciliation

A reconciliation of income tax expense applicable to profit from operating activities before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate for the period ended September 30, is as follows:

	For the nine months period ended September 30, 2007	For the nine months period ended September 30, 2006
Net income before tax	**94,566**	67,605
Income tax at 20%	**(18,913)**	(13,521)
The effect of change in tax rate	**(313)**	3,191
Effect of non tax deductible and tax exempt items, net		(275)
Provision for taxes	**(19,226)**	(10,605)
- current	**(19,705)**	(14,057)
- deferred	**479**	3,452

(Currency – Thousands of New Turkish Lira (YTL) unless otherwise indicated)

11. Taxes (continued)

Deferred income tax

Deferred income taxes relate to the following:

	Balance Sheet		Income Statement and Revaluation Surplus	
	September 30, 2007	December 31, 2006	**September 30, 2007**	September 30, 2006
Deferred tax liability				
Restatement effect on non-monetary items	**10,483**	10,207	**276**	(4,541)
Deferred tax asset				
Fair value decrease on building				
Reserve for long term defined employee benefit plan	**(1,085)**	(861)	**(224)**	146
				134
Others	**(1,236)**	(705)	**(531)**	290
	8,162	8,641		
Deferred tax income			**(479)**	(3,971)

Movement of net deferred tax liability is presented as follows:

	For the nine months period ended September 30, 2007	For the nine months period ended September 30, 2006
Balance at January 1	**8,641**	11,475
Deferred tax (credit) recognized in income statement	**(479)**	(3,452)
Deferred tax credit recognized in revaluation surplus (Note 7)	**-**	(519)
Balance at the end of period	**8,162**	7,504

12. Long-term Defined Employee Benefit Plan

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 YTL 2,030 and YTL 1,857 at September 30, 2007 and December 31, 2006, 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 Company 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 are recognized as income or expense when the cumulative unrecognized actuarial gains or losses exceed 10% of the present value of defined benefit obligations, in accordance with the valuation made by the qualified actuaries. Actuarial gains and losses are recognized over the average remaining working lives of the employees.

(Currency – Thousands of New Turkish Lira (YTL) unless otherwise indicated)

12. Long-term Defined Employee Benefit Plan (continued)

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

	September 30, 2007	December 31, 2006
Discount rate	**6.5%**	6.5%
Expected rate of salary/limit increases	**4%**	4%

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

	September 30, 2007	September 30, 2006
Current service cost	**1,395**	1,049
Financial expense of long-term defined employee benefit plan	**340**	246
Actuarial loss recognized in the period	**59**	68
Net benefit expense	**1,794**	1,363

Benefit Liability:

	September 30, 2007	September 30, 2006
Defined benefit obligation	**8,096**	5,915
Unrecognized actuarial losses	**(2,671)**	(1,785)
Benefit liability	**5,425**	4,130

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

	September 30, 2007	September 30, 2006
Defined benefit obligation at January 1	**7.036**	5,092
Financial expense of long-term defined employee benefit plan	**340**	246
Current service cost	**1.395**	1,049
Benefits paid	**(675)**	(472)
Actuarial gains on obligation	**-**	-
Defined benefit obligation at the end of the period	**8.096**	5,915

(Currency – Thousands of New Turkish Lira (YTL) unless otherwise indicated)

13. Share Capital

As of September 30, 2007 and December 31, 2006, the Company's paid in share capital was YTL 25,300 (historical terms) comprising 25,300,000 shares of YTL 1 nominal value each. Each shareholder has voting rights equivalent to their number of shares.

As of September 30, 2007 and December 31, 2006, the breakdown of shareholders and their ownership percentages in the Company (all in historical terms) can be summarized as follows:

	September 30, 2007		December 31, 2006	
	Historical Amount	**%**	Historical Amount	%
Mustafa Latif Topbaş	**5,064**	**20.0**	5,564	22.0
Abdulrahman A. El Khereiji	**4,702**	**18.6**	4,952	19.6
Ahmet Afif Topbaş	**1,639**	**6.5**	1,139	4.5
Zuhair Fayez	**998**	**3.9**	998	3.9
İbrahim Halit Çizmeci	**300**	**1.2**	665	2.6
Publicly held	**12,597**	**49.8**	11,982	47.4
	25,300	**100**	25,300	100.0
Effect of restatement	**8,421**		8,421	
Total	**33,721**		33,721	

14. Risk Management Policy

The Company's principal financial instruments comprise cash, short-term deposits, trade receivables and trade payables. The main purpose of these financial instruments is to raise finance for the Company's operations. The Company has other financial instruments such as trade debtors and creditors which arise directly from its operations.

Since the Company is engaged in the retail sector and transactions are mainly on a cash basis, the exposure to credit and price risk is minimal. Trade receivables mainly consist of credit card receivables from reliable banks therefore credit risk exposure is at minimal level.

Considering that the foreign currency denominated assets and liabilities are not material, the Company does not enter into derivative or hedging transactions to mitigate its exposure to foreign exchange risk.

The table below summarizes the maturity profile of the Company's financial liabilities at September 30, 2007 and December 31, 2006 based on contractual undiscounted payments.

	On demand	**1 to 3 months**	**3 to 12 months**	**1-5 years**	**Total**
September 30, 2007					
Trade payables	**213,740**	**143,288**	**-**	**-**	**-**
Due to related parties	**76,824**	**114**	**5,986**	**15,573**	**357,028**
			-	-	**76,938**
December 31, 2006	-	-	-	--	-
Trade payables	10,964	241,490	2,834	2,655	252,454
Due to related parties	7,735	39,260	-	-	46,795

(Currency – Thousands of New Turkish Lira (YTL) unless otherwise indicated)

14. Risk Management Policy (continued)

The table below summarizes the maturity profile of the Company's trade receivables at September 30, 2007 and December 31, 2006 based on contractual undiscounted receivables.

	On demand	1 to 3 months	3 to 12 months	1-5 years	Total
September 30, 2007					
Trade receivables	**104,963**	**-**	**-**	**-**	**104,963**
December 31, 2006					
Trade receivables	66,940	-	-	-	66,940

As of September 30, 2007 and December 31, 2006, there are not any interest risks on liabilities of the Company.

The following table demonstrates the sensitivity to a reasonably possible changes in U.S dollar, Euro and GBP exchange rates, with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities.

		Increase in foreign Exchange rates		Decrease in foreign Exchange rates	
September 30, 2007	**US Dollar**	**+5%**	**118**	**(5%)**	**(118)**
	Euro	**+5%**	**10**	**(5%)**	**(10)**
	GBP	**+5%**	**-**	**(5%)**	**-**
December 31, 2006	US Dollar	+5%	5	(5%)	(5)
	Euro	+5%	11	(5%)	(11)
	GBP	+5%	-	(5%)	-

15. Cost of Sales

Cost of sales For the nine months period ended September 30, 2007 and 2006 is as follows:

	January 1 - September 30, 2007	**July 1 - September 30, 2007**	**January 1 - September 30, 2006**	July 1 - September 30, 2006
Beginning inventory	**138,524**	128,594	98,428	97,536
Purchases	**1,840,132**	730,483	1,342,037	522,555
Ending inventory	**(199,897)**	(199,897)	(131,810)	(131,810)
	1,778,759	659,180	1,308,655	488,281

(Currency – Thousands of New Turkish Lira (YTL) unless otherwise indicated)

16. Selling and Marketing Expenses

The breakdown of selling and marketing expenses for the nine months period ended September 30, 2007 and 2006 is as follows:

	January 1 - September 30, 2007	**July 1 - September 30, 2007**	January 1 - September 30, 2006	July 1 - September 30, 2006
Personnel expenses	**100,845**	38,028	75,947	29,095
Rental expenses	**60,417**	21,468	45,425	16,326
Depreciation and amortisation expenses	**21,950**	7,707	17,586	6,400
Water, electricity and communication expenses	**16,902**	6,377	12,977	5,040
Packaging expenses	**14,363**	5,387	10,778	4,130
Fuel expenses	**8,433**	3,342	7,080	2,763
Maintenance and repair expenses	**7,554**	2,726	5,384	2,192
Advertising expenses	**5,111**	1,741	4,944	2,007
Provision for employee termination benefit	**1,194**	405	912	310
Other	**11,449**	3,725	8,957	2,960
	248,218	90,906	189,990	71,223

17. General and Administrative Expenses

The breakdown of general and administrative expenses for the nine months period ended September 30, 2007 and 2006 is as follows:

	January 1 - September 30, 2007	**July 1 - September 30, 2007**	January 1 - September 30, 2006	July 1 - September 30, 2006
Personnel expenses	**23,107**	7,946	18,152	6,404
Advertising expenses	**2,847**	946	2,801	1,162
Depreciation and amortisation expenses	**2,439**	856	2,398	726
Money collection expenses	**2,053**	695	1,645	605
Motor vehicle expenses	**1,864**	645	1,647	554
Legal and consultancy expenses	**1,059**	466	904	246
Water, electricity and communication expenses	**736**	258	703	234
Provision for employee termination benefits	**260**	79	205	63
Office supplies expenses	**278**	99	244	84
Other	**7,699**	3,008	5,349	1,675
	42,342	14,998	34,048	11,753

(Currency – Thousands of New Turkish Lira (YTL) unless otherwise indicated)

18. Personnel Expenses

	January 1 - September 30, 2007	**July 1 - September 30, 2007**	**January 1 - September 30, 2006**	July 1 - September 30, 2006
Staff costs				
Wages and salaries	**104,294**	38,626	79,246	29,866
Provision for employee termination benefits	**1,454**	484	1,117	373
Cost of defined contribution plan (employer's share of social security premiums)	**19,658**	7,348	14,853	5,633
	125,406	46,458	95,216	35,872

Average number of employees for the periods ended September 30, 2007 and 2006 is 9,396 and 7,731, respectively.

19. Financial Income and Expense

Financial income For the nine months period ended September 30, 2007 and 2006 can be summarized as follows:

	January 1 - September 30, 2007	**July 1 - September 30, 2007**	January 1 - September 30, 2006	July 1 - September 30, 2006
Income from deposits	**3,684**	541	4,428	1,732
Foreign exchange gains	**221**	18	319	51
	3,905	559	4,747	1,783

Financial expenses For the nine months period ended September 30, 2007 and 2006 can be summarized as follows:

	January 1 - September 30, 2007	**July 1 - September 30, 2007**	January 1 - September 30, 2006	July 1 - September 30, 2006
Financial expense of long-term defined employee benefit plan	**(340)**	(113)	(246)	(82)
Foreign exchange losses	**(332)**	(129)	(84)	(21)
Other financial expense	**(74)**	(44)	(135)	(63)
	(746)	(286)	(465)	(166)
Financial Income /(Expense), net	**3,159**	273	4,282	1,617

(Currency – Thousands of New Turkish Lira (YTL) unless otherwise indicated)

20. Other Income / (Expense), net

The breakdown of other income / (expense), net for the periods ended September 30, 2007 and 2006 is as follows:

	January 1 - September 30, 2007	**July 1 - September 30, 2007**	January 1 - September 30, 2006	July 1 - September 30, 2006
Gain on sale of scrap materials	**3,301**	1,105	1,587	602
Loss on sale of property and equipment and intangibles	**(693)**	(332)	340	210
Other income / (expense), net	**3,720**	1,272	254	205
Other income, net	**6,328**	2,045	2,181	1,017

21. Earnings Per Share

Basic earnings per share (EPS) are calculated by dividing the net profit for the period by the weighted average number of ordinary shares outstanding during the year/period. The basic EPS for nine months the period ended September 30, 2007 and September 30, 2006 are 2.978 (full YTL) and 2.253 (full YTL), respectively. There are no dilutive instruments outstanding hence fully diluted earnings per share are the same.

There has not been any change to paid in share capital and the number of shares outstanding during the nine months period ended September 30, 2007 and September 30, 2006.

In May 2007, the Company distributed dividend from profit of 2006 to its shareholders amounting to YTL 55,660 (full YTL 2.20 per share).

22. Legal Reserves and Retained Earnings

Legal Reserves

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code (TCC). The first legal reserve is appropriated out of the statutory profits at the rate of 5%, until the total reserve reaches a maximum of 20% of the Company's restated share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's restated share capital.

Companies whose shares are quoted on the Istanbul Stock Exchange Market (ISEM) perform their dividend appropriation in accordance with the Turkish Capital Market Board regulations.

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

In addition, based on the CMB Decree 7/242, dated February 25, 2005, if the amount of profit distributions calculated in accordance with the net distributable profit requirements of the CMB does not exceed the statutory net distributable profit the whole amount of distributable profit should be distributed. If it exceeds the statutory net distributable profit, the whole amount of the statutory net distributable profit should be accordance with CMB regulations or in the statutory financial statements.

In accordance with the Communiqué No:XI/25 Section 15 paragraph 399, the accumulated deficit amounts arising from the first application of inflation adjustment, in line with CMB's profit distributions are considered to be deductible when computing the distributable profit. The accumulated deficit will first be netted-off from net income and retained earnings and the remaining amount of deficit from extraordinary reserves, legal reserves and adjustment to share capital.

22. Legal Reserves and Retained Earnings (continued)

In accordance with Communiqué No: XI/25 the quoted companies are required to distribute a minimum of 20% of their distributable profits over financial statements prepared in accordance with CMB Accounting Standards. This distributable may be made by either as cash or bonus shares or as a combination of both over the minimum limit of 20% depending on the decisions of the General Assemblies of the companies.

Inflation adjustment to shareholders' equity can only be netted-off against prior years' losses and used as an internal source in capital increase where extraordinary reserves can be netted-off against prior years' loss and used in the distribution of bonus shares and dividends to shareholders.

Based on the CMB Communiqué Serial: XI, No: 25 part fifteen article 399, the amount included in "Prior Year Losses" account resulting from the first application of inflation accounting should be considered as a deduction during the identification of the profit to be distributed based on the inflation adjusted financial statements. Accordingly, the amount followed under "Prior Year Losses" account may be offset against period income and retained earnings if exists, and the remaining losses against extraordinary reserves, legal reserves and equity restatement differences, respectively.

The statutory accumulated profits and statutory current year profit are available for distribution, subject to the reserve requirements referred to above.

As of September 30, 2007 and December 31, 2006, extraordinary reserves, legal reserves and net profit for the period/year (as per the statutory financial statements of the Company) are as follows (YTL):

	September 30, 2007	December 31, 2006
Extraordinary reserves	**6,588**	941
Legal reserves	**14,788**	6,953
Net profit for the period / year	**76,973**	69,142

23. Contingencies and Commitments

(i) As of September 30, 2007 and December 31, 2006, the total amount of outstanding lawsuits filed against the Company is YTL 1,090 and YTL 441 in historical terms, respectively, which is recorded as provision and presented in other payables and accrued liabilities.

(ii) Letters of guarantee obtained from banks and given to various institutions amounted to YTL 619 at September 30, 2007 and YTL 515 at December 31, 2006.

(iii) As of September 30, 2007 the Company has operating lease commitments for each of the following periods:

	Thousands of YTL
Not later than one year	80
Later than one year and not later than five years	307
Later than five years	40

23. Contingencies and Commitments (continued)

(iv) As of September 30, 2007 the Company has letters of guarantee amounting to YTL 7,934 received from its supplier firms (December 31, 2006 – YTL 1,671).

(vi) As of September 30, 2007 the total amount of the mortgages obtained from the supplier firms is YTL 16,635 (December 31, 2006 – YTL 12,535).

(vii) The tax and other government authorities (Social Security Institution) have the right to inspect the Company's tax returns and accounting records for the past five fiscal years. The Company has not recorded a provision for any additional taxes for the fiscal years that remained unaudited, as the amount cannot be estimated with any degree of certainty. The Company's management believes that no material assessment will arise from any future inspection for unaudited fiscal years.

24. Foreign Currency Denominated Assets and Liabilities

As of September 30, 2007 and December 31, 2006, the foreign currency position of the Company is summarized below:

	September 30, 2007						
	USD	**Thousands of YTL Equivalent**	**EUR**	**Thousands of YTL Equivalent**	**GBP**	**Thousands of YTL Equivalent**	**Total YTL Equivalent**
Total foreign currency denominated assets	**2,713,953**	**3,270**	**121,208**	**207**	**400**	**1**	**3,478**
Total foreign currency denominated liabilities	**760,865**	**917**	**-**	**-**	**-**	**-**	**917**
Net foreign currency position		**2,353**		**207**		**1**	**2,561**

	December 31, 2006						
	USD	Thousands of YTL Equivalent	EUR	Thousands of YTL Equivalent	GBP	Thousands of YTL Equivalent	Total YTL Equivalent
Total foreign currency denominated assets	164,708	232	122,155	226	1,608	5	463
Total foreign currency denominated liabilities	98,658	139	-	-	-	-	139
Net foreign currency position		93		226		5	324

25. Subsequent Events

None