BİM Birleşik Mağazalar Anonim Şirketi

Interim financial statements at March 31, 2009

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Balance sheet
As at March 31, 2009
(Currency – Thousands of Turkish Lira (TL))

	Notes	March 31, 2009	December 31, 2008
Assets			
Current assets			
Cash and cash equivalents	3	**103,309**	56,447
Trade receivables	4	**160,052**	114,310
Inventories	5	**276,694**	246,003
Prepayments and other current assets	6	**7,178**	6,302
Total current assets		**547,233**	423,062
Property and equipment	7	**419,235**	407,971
Intangible assets	8	**2,621**	2,741
Other non-current assets	6	**9,413**	6,419
Total non-current assets		**431,269**	417,131
Total assets		**978,502**	840,193
Liabilities and equity			
Current liabilities			
Short-term borrowings	9	**-**	21,778
Trade payables	10	**600,863**	509,445
Income tax payable	12	**13,103**	3,256
Other payables and accrued liabilities	11	**24,921**	21,606
Total current liabilities		**638,887**	556,085
Employee benefit liability	13	**6,689**	6,349
Deferred tax liability	12	**10,570**	10,455
Other non-current liabilities		**164**	206
Total non-current liabilities		**17,423**	17,010
Equity			
Share capital	14	**84,321**	84,321
Revaluation surplus	7	**12,776**	12,776
Legal reserves	23	**19,469**	19,469
Retained earnings	23	**205,626**	150,532
Total equity		**322,192**	267,098
Total liabilities and equity		**978,502**	840,193

The accompanying policies and explanatory notes on pages 5 through 37 form an integral part of the financial statements.

Comprehensive income statement
for the period ended March 31, 2009
(Currency – Thousands of Turkish Lira (TL))

	Notes	**Audited** **January 1- March 31, 2009**	Audited January 1- March 31, 2008
Net sales		**1,223,269**	967,036
Cost of sales	10, 16	**(998,190)**	(806,545)
Gross profit		**225,079**	160,491
Selling and marketing expenses	10, 17, 19	**(135,689)**	(100,474)
General and administrative expenses	10, 18, 19	**(21,472)**	(17,354)
Other income	21	**1,927**	1,837
Other expense	21	**(671)**	(598)
Operating profit		**69,174**	43,902
Financial income	10, 20	**644**	1,173
Financial expense	10, 20	**(679)**	(1,142)
Profit before tax		**69,139**	43,933
Tax charge			
- Current	12	**(13,930)**	(8,894)
- Deferred	12	**(115)**	(3)
Net profit		**55,094**	35,036
Weighted average number of shares (1 TL par value each)		**75,900,000**	75,900,000
Basic and diluted earnings per share (full TL)	22	**0.726**	0.462

The accompanying policies and explanatory notes on 5 through 37 form an integral part of the financial statements.

Statement of changes in equity
for the period ended March 31, 2009
(Currency – Thousands of Turkish Lira (TL))

	Share capital	Revaluation surplus	Legal reserves	Retained earnings	Total
At December 31, 2008	**84,321**	**12,776**	**19,469**	**150,532**	**267,098**
Net profit for the period	**-**	**-**	**-**	**55,094**	**55,094**
At March 31, 2009	**84,321**	**12,776**	**19,469**	**205,626**	**322,192**
At December 31, 2007	33,721	12,776	14,788	140,325	201,610
Net profit for the period	-	-	-	35,036	35,036
At March 31, 2008	33,721	12,776	14,788	175,361	236,646

The accompanying policies and explanatory notes on pages 5 through 37 form an integral part of the financial statements.

Statement of cash flows
for the period ended March 31, 2009
(Currency – Thousands of Turkish Lira (TL))

	Notes	January 1- March 31, 2009	January 1- March 31, 2008
Cash flows from operating activities			
Profit before tax		**69,139**	43,933
Adjustments to reconcile profit before tax to net cash provided by operating activities:			
Depreciation and amortisation	7, 8	**13,247**	9,573
Reserve for long-term defined employee benefit plan	13, 17, 18	**428**	310
Financial expense of long-term defined employee benefit plan	13, 20	**194**	126
Profit share income from deposit accounts	20	**(630)**	(1,114)
Reserve for impairment of inventories, net	5	**(327)**	(208)
Loss on sale of property and equipment and intangibles	7, 8, 21	**160**	366
		82,211	52,986
Changes in working capital			
Trade receivables	4, 10	**(46,393)**	(29,051)
Inventories	5	**(18,811)**	(89,513)
Prepayments and other current assets	6	**(14,071)**	(3,140)
Other non-current assets		**(3,056)**	655
Trade payables	10	**91,418**	127,047
Other payables and accrued liabilities and other non-current liabilities	11	**5,563**	5,289
Income taxes paid	12	**(4,083)**	(6,876)
Employee benefit payments	13	**(282)**	(294)
Net cash generated by operating activities		**92,496**	57,103
Cash flows from investing activities:			
Purchase of property and equipment and intangibles	7, 8	**(25,004)**	(37,311)
Proceeds from sale of property and equipment and intangibles		**518**	374
Profit share received from deposit account	20	**630**	1,114
Net cash used in investing activities		**(23,856)**	(35,823)
Cash flows from financing activities:			
Dividends paid		**-**	-
Proceeds from short-term borrowings		**(21,778)**	-
Net cash used in financing activities		**(21,778)**	-
(Decrease) increase in cash and cash equivalents		**46,862**	21,280
Cash and cash equivalents at the beginning of the year	3	**56,447**	83,039
Cash and cash equivalents at the end of the year	3	**103,309**	104,319

The accompanying policies and explanatory notes on pages 5 through 37 form an integral part of the financial statements.

1. Organisation and nature of operations

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 ultimate controlling party of the Company is Mustafa Latif Topbaş. The financial statements were authorized for issue on April 29, 2009 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. The Company is publicly traded in İstanbul Stock Exchange since 2005.

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.

2.1 Basis of preparation of financial statements

The International financial statements of the Company have been prepared in accordance with Financial Reporting standards. 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 Turkish Lira (TL) 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 International Financial Reporting Standards (IFRS). Such adjustments mainly comprise effects of restatement for the changes in the general purchasing power of TL (until December 31, 2005), provision for inventories, deferred taxation, employee termination benefits, revaluation of land and building and amortized cost calculation of trade receivables and payables.

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.

2.2 Adoption of revised and new standards

The accounting policies adopted in the preparation of these financial statements are consistent with those followed in the preparation of the financial statements for the periodended December 31, 2007, except for the adoption of new standards and interpretations noted below. Adoption of these standards and Interpretations did not have any effect on the financial position or performance of the Company. They did however give rise to additional disclosures.

- IFRIC 11 "Group and Treasury Share Transactions": IFRIC 11 addresses how to apply IFRS 2 Share-based Payments to share-based payment arrangements involving an entity's own equity instruments or equity instruments of another entity in the same group. This interpretation becomes effective for annual periods beginning on or after March 1, 2007. This new interpretation did not have any impact on the Company's financial statements.

- IFRIC 12 "Service Concession Arrangements": Service concessions are arrangements whereby a government or other public sector entity grants contracts for the supply of public services such as roads, airports, prisons and energy and water supply and distribution facilities to private sector operators. Control of the assets remains in public hands but the private sector operator is responsible for construction activities, as well as for operating and maintaining the public sector infrastructure. This interpretation becomes effective for annual periods beginning on or after January 1, 2008. This new interpretation has no impact on the financial statements of the Company as of March 31, 2009.

- IFRIC 14 "IAS 19 – Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction": The interpretation specifies when refunds or reductions in future contributions should be regarded as available and how a minimum funding requirement might affect the availability of reductions in future contributions. The interpretation also clarifies when a minimum funding requirement might give rise to a liability. IFRIC 14 is effective for annual periods beginning on or after January 1, 2008. There is no funding requirement in Turkey; accordingly this new interpretation did not have any impact on the Company's financial statements.

- Amendments to IAS 39 "Financial Instruments": Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures - Reclassification of Financial Assets: The amendment to IAS 39, issued in October 2008, permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss category to the available-for-sale or held-to-maturity category in particular circumstances. The amendment also permits an entity to transfer from the fair value through profit or loss, or available-for-sale categories, to the loans and receivables category a financial asset that meets the definition of loans and receivables, if the entity has the intention and ability to hold that financial asset for the foreseeable future. The amendment requires detailed disclosure relating to such reclassifications. The effective date of the amendment is July 1, 2008 and reclassifications before that date are not permitted. Adoption of these amendments did not have any effect on the financial performance or position of the Company.

- IAS 1 Revised Presentation of Financial Statements: The revised Standard was issued in September 2007 and becomes effective for financial years beginning on or after 1 January 2009. The Standard separates owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the Standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. This revision does not have any effect to Company financial presentation.

- IFRS 8 "Operating Segments": IFRS 8 requires disclosure of information about the Company's operating segments. The standard is effective from January 1, 2009. This new standard does have any impact on the Company's financial statements.

- IAS 23 "Amendment Borrowing Costs": This amendment requires borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset to be capitalized as part of the cost of that asset, therefore removes the alternative of reflecting such costs as period expenses. The revised standard applies to borrowing costs relating to qualifying assets for which the commencement date for capitalization is on or after January 1, 2009. The Company will adopt this amendment in IAS 23 effective from January 1, 2009. This new interpretation does not have any impact on the Company's financial statements.

- IFRS 2 "Share-based Payment": This amendment to IFRS 2 was issued in January 2008 and becomes effective for annual periods beginning on or after January 1, 2009. The amendment clarifies the definition of a vesting condition and prescribes the treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied. This new interpretation does any impact on the Company's financial statements.

- IAS 32 "Financial Instruments": These amendments to IAS 32 and IAS 1 were issued in February 2008 and become effective for annual periods beginning on or after January 1, 2009. The amendments allow a limited scope exception for puttable financial instruments to be classified as equity if they fulfill a number of specified features. This new interpretation does not have any impact on the Company's financial statements.

- IFRIC 15 - Agreements for the Construction of Real Estate, addresses the divergence in construction of real estate accounting treatment and clarifies when and how revenue and related expenses from the sale of a real estate unit should be recognized if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. This interpretation was issued on July 3, 2008 and is effective for annual periods beginning on or after January 1, 2009 and must be applied retrospectively. This new interpretation does not have any impact on the Company's financial statements.

- IFRIC 16 - Hedges of a Net Investment in a Foreign Operation, provides guidance on identifying the foreign currency risks that qualify for hedge accounting in the hedge of a net investment; where within the group the hedging instrument(s) can be held in the hedge of a net investment; and how an entity should determine the amount of foreign currency gain or loss, relating to both the net investment and the hedging instrument, to be recycled on disposal of the net investment. This interpretation was issued on July 3, 2008 and is effective for annual periods beginning on or after January 1, 2009 and must be applied retrospectively. This new interpretation does not have any impact on the Company's financial statements.

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

The following new standards, amendments to standards and interpretations have been issued but are not effective for the period ending March 31, 2009 and have not been early adopted:

- IFRIC 13 "Customer Loyalty Programs": The interpretation specifies how the loyalty programs should be accounted for and is effective for annual periods beginning on or after July 1, 2008. Earlier application is permitted. The Company does not have any customer loyalty programs, therefore this interpretation has no impact on the financial statements of the Company as of March 31, 2009.

2.2 Adoption of revised and new standards (continued)

- IFRS 3, "Business Combinations" (Revised) and IAS 27, "Consolidated and Separate Financial Statements" (Amended), effective for annual periods beginning on or after 1 July 2009. The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss (rather than by adjusting goodwill). The amended IAS 27 requires that a change in ownership interest of a subsidiary is accounted for as an equity transaction. Therefore such a change will have no impact on goodwill, nor will it give raise to a gain or loss. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by IFRS 3 (Revised) and IAS 27 (Amendment) must be applied prospectively and will affect future acquisitions and transactions with minority interests.

- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 27 Consolidated and Separate Financial Statements : The amendments to IFRS 1 allows an entity to determine the 'cost' of investments in subsidiaries, jointly controlled entities or associates in its opening IFRS financial statements in accordance with IAS 27 or using a deemed cost. The amendment to IAS 27 requires all dividends from a subsidiary, jointly controlled entity or associate to be recognized in the income statement in the separate financial statement. Both revisions will be effective for financial years beginning on or after January 1, 2009. The revision to IAS 27 will have to be applied prospectively. The new requirements will not have any effect on the Company's financial statements.

- IAS 39 "Financial Instruments: Recognition and Measurement – Eligible Hedged Items": These amendments to IAS 39 were issued in August 2008 and become effective for financial years beginning on or after July 1, 2009. The amendment addresses the designation of a one-sided risk in a hedged item, and the designation of inflation as a hedged risk or portion in particular situations. It clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as hedged item. The Company has concluded that the amendment will have no impact on the financial position or performance of the Company, as it has not entered into any such hedges.

- IFRIC 17 "Distributions of Non-cash Assets to Owners": The Interpretation applies to all non-reciprocal distributions of non-cash assets, including those giving the shareholders a choice of receiving non-cash assets or cash. This interpretation is to be applied prospectively and is applicable for annual periods beginning on or after July 1, 2009. The Company is evaluating the effect of the Interpretation.

- IFRIC 18 "Transfer of Assets from Customers": The Interpretation specifies how the assets such as property, plant and equipment or cash for the construction or acquisition of such items received from the customers should be accounted for. This interpretation is to be applied prospectively to transfers of assets from customers received in periods beginning on or after July 1, 2009. The Company is evaluating the effect of the Interpretation.

2.2 Adoption of revised and new standards (continued)

Improvements to IFRSs: The Company has not yet adopted the following amendments and anticipates that these changes will have no material effect on the financial statements.

IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", when a subsidiary is held for sale, all of its assets and liabilities will be classified as held for sale under IFRS 5, even when the entity retains a non-controlling interest in the subsidiary after the sale.

IFRS 7 Financial Instruments: Disclosures:

Removal of the reference to 'total interest income' as a component of finance costs.

IAS 8 Accounting Policies, Change in Accounting Estimates and Errors:

Clarification that only implementation guidance that is an integral part of an IFRS is mandatory when selecting accounting policies.

IAS 10 Events after the Reporting Period:

Clarification that dividends declared after the end of the reporting period are not obligations.

IAS 16 Property, Plant and Equipment:

Items of property, plant and equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases and they are held for sale.

IAS 18 Revenue:

Replacement of the term 'direct costs' with 'transaction costs' as defined in IAS 39.

IAS 19 Employee Benefits:

Revised the definition of 'past service costs', 'return on plan assets' and 'short term' and 'other long-term' employee benefits. Amendments to plans that result in a reduction in benefits related to future services are accounted for as curtailment. Deleted the reference to the recognition of contingent liabilities to ensure consistency with IAS 37.

IAS 20 Accounting for Government Grants and Disclosures of Government Assistance:

Loans granted in the future with no or low interest rates will not be exempt from the requirement to impute interest. The difference between the amount received and the discounted amount is accounted for as government grant. Also, revised various terms used to be consistent with other IFRS.

IAS 27 Consolidated and Separate Financial Statements:

When a parent entity accounts for a subsidiary at fair value in accordance with IAS 39 in its separate financial statements, this treatment continues when the subsidiary is subsequently classified as held for sale.

2.2 Adoption of revised and new standards (continued)

IAS 29 Financial Reporting in Hyperinflationary Economies:

Revised the reference to the exception to measure assets and liabilities at historical cost, such that it notes property, plant and equipment as being an example, rather than implying that it is a definitive list. Also, revised various terms used to be consistent with other IFRS.

IAS 34 Interim Financial Reporting:

Earnings per share is disclosed in interim financial reports if an entity is within the scope of IAS 33.

IAS 39 Financial Instruments: Recognition and Measurement:

Changes in circumstances relating to derivatives are not reclassifications and therefore may be either removed from, or included in, the 'fair value through profit or loss' classification after initial recognition. Removed the reference in IAS 39 to a 'segment' when determining whether an instrument qualifies as a hedge. Require the use of the revised effective interest rate when remeasuring a debt instrument on the cessation of fair value hedge accounting.

IAS 40 Investment Property:

Revision of the scope such that property under construction or development for future use as an investment property is classified as investment property. If fair value cannot be reliably determined, the investment under construction will be measured at cost until such time as fair value can be determined or construction is complete. Also, revised of the conditions for a voluntary change in accounting policy to be consistent with IAS 8 and clarified that the carrying amount of investment property held under lease is the valuation obtained increased by any recognised liability.

IAS 41 Agriculture:

Removed the reference to the use of a pre-tax discount rate to determine fair value. Removed the prohibition to take into account cash flows resulting from any additional transformations when estimating fair value. Also, replaced of the term 'point-of-sale costs' with 'costs to sell'.

IAS 1 Presentation of Financial Statements:

Assets and liabilities classified as held for trading in accordance with IAS 39 Financial Instruments: Recognition and Measurement are not automatically classified as current in the balance sheet.

IAS 16 Property, Plant and Equipment:

Replace the term "net selling price" with "fair value less costs to sell".

IAS 23 Borrowing Costs:

The definition of borrowing costs is revised to consolidate the two types of items that are considered components of 'borrowing costs' into one – the interest expense calculated using the effective interest rate method calculated in accordance with IAS 39.

2.2 Adoption of revised and new standards (continued)

IAS 28 Investment in Associates:

If an associate is accounted for at fair value in accordance with IAS 39, only the requirement of IAS 28 to disclose the nature and extent of any significant restrictions on the ability of the associate to transfer funds to the entity in the form of cash or repayment of loans applies.

IAS 31 Interest in Joint ventures:

If a joint venture is accounted for at fair value, in accordance with IAS 39, only the requirements of IAS 31 to disclose the commitments of the venturer and the joint venture, as well as summary financial information about the assets, liabilities, income and expense will apply.

IAS 36 Impairment of Assets:

When discounted cash flows are used to estimate ‘fair value less cost to sell', additional disclosure is required about the discount rate, consistent with disclosures required when the discounted cash flows are used to estimate ‘value in use'.

IAS 38 Intangible Assets:

Expenditure on advertising and promotional activities is recognised as an expense when the Company either has the right to access the goods or has received the service.

2.3 Critical accounting estimates and judgments

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

Significant estimates used in the preparation of these financial statements and the significant judgments with the most significant effect on amounts recognized in the financial statements are mainly related with 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

The functional and presentation currency of the Company is Turkish Lira (TL). Effective from January 1, 2005 concurrent with the removal of six zero digits, the new currency unit of Turkey was introduced as New Turkish Lira (YTL). The Government resolved to remove the “New” phrase in the local currency unit effective from January 1, 2009. Accordingly the Company’s functional and presentation currency as of March 31, 2009 is TL and comparative figures for the prior year(s) have also been presented in TL, using the conversion rate of YTL 1= TL 1.

2.4 Functional and presentation currency (continued)

Until December 31, 2005, the financial statements were restated for the changes in the general purchasing power of TL 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 March 31, 2009 and December 31, 2008 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

Financial instruments

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

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

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

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

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, 2008 – 9 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.

2.5 Summary of significant accounting policies (continued)

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.

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 statement of income. On disposal of revalued assets, amounts in revaluation reserves relating to that asset are transferred to retained earnings.

The initial cost of property and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset 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 unless the asset recognition criteria are met which case 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 depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

2.5 Summary of significant accounting policies (continued)

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 statement of income in the expense category consistent with the function of the intangible asset.

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

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

Impairment of non-financial assets

The carrying values of assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the statement of income 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.

Trade payables

Trade payables which generally have an average of 49 day term (December 31, 2008 – 52 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.

2.5 Summary of significant accounting policies (continued)

Bank borrowings

All loans and borrowings are initially recognized at fair value less directly attributable transaction costs. After initial recognition, loans and borrowings are subsequently measured at amortized cost using the effective interest method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

Borrowing costs

Borrowing costs are expensed as incurred.

Fair value estimations for financial instruments

The fair values of certain financial assets carried at cost, including cash and cash equivalents plus the respective accrued profit share are considered to approximate their respective carrying values due to their short-term nature and negligible credit losses.

The carrying value of the trade receivables less provision for impairment of trade receivables is estimated to be the fair value due to their short-term nature.

The carrying value of trade payables and bank borrowings approximate to their fair values due to their short-term nature. Those denominated in foreign currencies are translated at period-end exchange rates.

Estimates and judgments 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.

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.

2.5 Summary of significant accounting policies (continued)

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.

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.

Classification of financial assets and liabilities

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 recognized on the trade date, which is the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sale of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place. The Company's financial assets are comprised of loans and receivables.

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.

Impairment of financial assets

The Company assesses at each balance sheet date whether a financial asset or group of financial assets impaired.

Assets carried at amortised cost

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account.

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

2.5 Summary of significant accounting policies (continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in profit or loss.

As of March 31, 2009 and December 31, 2008, the Company does not have any financial assets at fair value through profit or loss, held-to-maturity investments or available-for-sale financial assets.

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 statement of income.

Foreign currency conversion rates used by the Company as of March 31, 2009 and December 31, 2008 are as follows:

Dates	USD / TL (full)	EUR / TL (full)
March 31, 2009	**1.6880**	**2.2258**
December 31, 2008	1.5123	2.1408

Earnings per share

Earnings per share (EPS) disclosed in the statement of income are determined by dividing net income by the weighted average number of shares that have been outstanding during the period 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.

If the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalisation, bonus issue or share split, or decreases as a result of a reverse share split, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares.

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.

2.5 Summary of significant accounting policies (continued)

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.

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 statement of income on a straight-line basis over the lease term.

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.

2.5 Summary of significant accounting policies (continued)

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

Income taxes

Tax expense 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 except;

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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 except;

- where the deferred income tax asset relating to the deductible temporary differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extend that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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.

2.5 Summary of significant accounting policies (continued)

Employee benefit liability

a) Defined benefit plans:

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

As discussed in Note 13, the employee benefit liability 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 recognized a liability using the "Projected Unit Credit Method". Actuarial gains and losses, as long as the cumulative unrecognized portion exceed 10% of the present value of the defined benefit obligation, are recognized in the statement of income over the average remaining working lives of employees. Actuarial gains and losses are determined in accordance with the valuation made by qualified actuaries. The employee termination benefits are discounted to the present value of the estimated future cash outflows using the discount rate estimated by qualified actuaries.

b) Defined contribution plans:

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

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.

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.

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

3. Cash and cash equivalents

	March 31, 2009	December 31, 2008
Cash on hand	**20,588**	23,907
Cash at banks (demand deposits)	**10,456**	24,477
Cash at banks (time deposits) (*)	**63,086**	-
Cash in transit	**9,179**	8,063
	103,309	56,447

(*) Profit share rate of TL time deposits at March 31, 2009 is 13.7% (December 31, 2008 – None).

There is no restricted cash as of March 31, 2009 and December 31, 2008.

4. Trade receivables

	March 31, 2009	December 31, 2008
Credit card receivables	**159,153**	113,444
Trade receivables	**1,341**	1,308
Other receivables	**157**	148
Provision for doubtful receivables	**(599)**	(590)
	160,052	114,310

As of March 31, 2009, the average term of trade receivables is 10 days (December 31, 2008 - 9 days).

As of March 31, 2009 and December 31, 2008, the Company does not have any overdue receivables except for the receivables which provision is already provided.

As of March 31, 2009 and December 31, 2008 TL 16,230 and TL 14,149 of credit card receivables are arising from the collections through POS machines and held by Albaraka Türk Katılım Bankası A.Ş.

5. Inventories

	March 31, 2009	December 31, 2008
Trade goods	**237,458**	229,342
Other stocks	**12,538**	1,516
Advances given	**26,698**	15,145
	276,694	246,003

As of March 31, 2009, provision to reflect the inventories at their net realizable values and for the slow moving trade goods amounted to TL 2,253 (December 31, 2008 – TL 2,580) and recorded in cost of sales.

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

6. Prepayments and other current / noncurrent assets

a) As of March 31, 2009 and December 31, 2008, the breakdown of prepayments and other current assets is as follows:

	March 31, 2009	December 31, 2008
Prepaid expenses	**6,960**	6,184
Other	**218**	118
	7,178	6,302

b) The Company has established a new Company named Bim Stores SARL as of May 19, 2008 with 100% ownership in Morocco. Since this Company has not started its operations yet and is not material it is not consolidated and reflected as TL 7,663 (December 31, 2008 - 4,795 TL) in other non current assets account.

7. Property and equipment

The movements of property and equipment and the related accumulated depreciation for the years ended March 31, 2009 and March 31, 2008 are as follows:

	December 31, 2008	**Additions**	**Disposals**	**March 31, 2009**
Cost or revalued amount				
Land	**44,136**	**3,682**	**-**	**47,818**
Land improvements	**1,154**	**2**	**-**	**1,156**
Building	**104,730**	**657**	**-**	**105,387**
Machinery and equipment	**202,588**	**6,299**	**(351)**	**208,536**
Vehicles	**42,584**	**1,059**	**(714)**	**42,929**
Furniture and fixtures	**87,336**	**1,696**	**(363)**	**88,669**
Leasehold improvements	**136,880**	**6,558**	**(306)**	**143,132**
Construction in progress	**211**	**344**	**-**	**555**
Advances given	**2,471**	**4,614**	**-**	**7,085**
	622,090	**24,911**	**(1,734)**	**645,267**
Accumulated depreciation				
Land improvements	**327**	**49**	**-**	**376**
Building	**3,854**	**1,111**	**-**	**4,965**
Machinery and equipment	**96,384**	**3,891**	**(114)**	**100,161**
Vehicles	**17,418**	**2,051**	**(558)**	**18,911**
Furniture and fixtures	**54,707**	**2,630**	**(359)**	**56,978**
Leasehold improvements	**41,429**	**3,302**	**(90)**	**44,641**
	214,119	**13,034**	**(1,121)**	**226,032**
Net book value	**407,971**			**419,235**

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

7. Property and equipment (continued)

	December 31, 2007	Additions	Disposals	March 31, 2008
Cost or revalued amount				
Land	40,257	1,079	-	41,336
Land improvements	411	6	-	417
Buildings	42,614	-	-	42,614
Machinery and equipment	153,543	11,041	(137)	164,447
Vehicles	31,914	3,413	(781)	34,546
Furniture and fixtures	68,540	3,624	(14)	72,150
Leasehold improvements	90,965	6,670	(697)	96,938
Construction in progress	2,312	223	-	2,534
Advances given	8,490	11,183	-	19,674
	439,046	37,239	(1,629)	474,656
Accumulated depreciation				
Land improvements	226	12	-	238
Building	1,228	468	-	1,696
Machinery and equipment	83,644	2,970	(68)	86,546
Vehicles	11,849	1,625	(519)	12,955
Furniture and fixtures	45,468	2,139	(12)	47,595
Leasehold improvements	31,923	2,180	(289)	33,814
	174,338	9,394	(888)	182,844
Net book value	264,708			291,812

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

Had the revalued assets been carried at cost less accumulated depreciation, the carrying amounts of land and building that would have been included in the financial statements as of March 31, 2009 and December 31, 2008 respectively are as follows:

	Land and buildings	
	March 31, 2009	December 31, 2008
Cost	**143,630**	139,291
Accumulated depreciation	**(8,264)**	(7,153)
Carrying amount	**135,366**	132,138

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

7. Property and equipment (continued)

As of March 31, 2009 and December 31, 2008, the gross carrying amount of property and equipment and intangibles, which are fully depreciated, but still in use, is as follows:

	March 31, 2009	December 31, 2008
Furniture and fixtures	**37,227**	35,755
Machinery and equipment	**52,348**	50,513
Leasehold improvements	**13,074**	12,351
Vehicles	**2,746**	1,592
Land improvements	**176**	176
	105,571	100,387

8. Intangible assets

The movements of intangible assets and related accumulated amortization for the years ended March 31, 2009 and 2008 are as follows:

	December 31, 2008	**Additions**	**Disposals**	**March 31. 2009**
Cost				
Software licenses	**7,574**	**93**	**-**	**7,667**
Other intangibles	**344**	**-**	**-**	**344**
	7,918	**93**	**-**	**8,011**
Accumulated amortization				
Software licenses	**(4,840)**	**(213)**	**-**	**(5,053)**
Other intangibles	**(337)**	**-**	**-**	**(337)**
	(5,177)	**(213)**	**-**	**(5,390)**
Net book value	**2,741**			**2,621**

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

7. Property and equipment (continued)

	December 31, 2007	Additions	Disposals	March 31, 2008
Cost				
Software licenses	6,107	71	-	6,178
Other intangibles	344	1	-	345
	6,451	72	-	6,523
Accumulated amortization				
Software licenses	4,118	179	-	4,297
Other intangibles	337	-	-	337
	4,455	179	-	4,634
Net book value	1,996			1,889

The estimated useful lives of intangible assets are 5 years.

9. Short-term borrowings

As of March 31, 2009, the Company has no short term borrowing.

As of December 31, 2008, the Company has YTL 21,778 loan obtained from one of its related parties, namely Albaraka Türk Katılım Bankası A.Ş.

			December 31, 2008
Currency	**Amount**	**Profit share (%)**	**Maturity**
TL	14,271	22,8%	January 29,2009
TL	7,507	26,4%	February 2, 2009
	21,778		

As of March 31, 2009, the Company does not have long-term borrowings (December 31, 2008 - None).

10. Trade payables

a) Trade payables

	March 31, 2009	December 31, 2008
Trade payables	**600,863**	509,445
	600,863	509,445

As of March 31, 2009, the Company has letters of guarantee amounting to TL 28,276 (December 31, 2008 - TL 21,798) and mortgages amounting to TL 15,857 (December 31, 2008 - TL 15,857) received from its supplier firms.

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

10. Trade payables (continued)

b) Related party balances

The balances with related parties as of March 31, 2009 and December 31, 2008, included in trade payables, are as follows:

	March 31, 2009	December 31, 2008
Ak Gıda A.Ş. (Ak Gıda) (1)	**49,451**	43,439
Teközel Gıda Tem.Sağ.Mar.Ltd. Şti (Teközel) (1)	**36,423**	18,206
Başak Gıda Dağıtım ve Pazarlama A.Ş. (Başak) (1)	**14,304**	15,263
Marsan Gıda San. ve Tic. A.Ş. (Marsan) (1)	**2,840**	1,837
Hedef Tüketim Ürün ve Dış Ticaret A.Ş.(Hedef) (1) (*)	**1,292**	62
Natura Gıda San. ve Tic. A.Ş. (Natura) (1)	**2,268**	-
Seher Gıda Paz. San. ve Tic. A.Ş. (Seher) (1)	**40**	30
Bahariye Tekstil San. Tic. A.Ş.(1)	**-**	4
	106,618	78,841

As of March 31, 2009, the Company does not have any dividend payable (December 31, 2008- null).

(*) The name of the Ekstrem Medya Hizmetleri ve Tic. A.Ş. has changed as Hedef Tüketim Ürün ve Dış Ticaret A.Ş.(Hedef) (1)
(1) Companies owned by shareholders of the Company

c) Related party transactions

For the years ended March 31, 2009 and December 31, 2008, summary of the major transactions with related parties are as follows:

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

	January 1 - March 31, 2009	January 1 - March 31, 2008
Ak Gıda (1)	**94,724**	79,105
Başak (1)	**34,869**	10,743
Teközel (1)	**42,375**	20,029
Natura (1)	**2,315**	2,063
Marsan (1)	**3,855**	2,898
Hedef (1)	**2,082**	-
Seher (1)	**63**	25
	180,283	114,863

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

10. Trade payables (continued)

(ii) Key management compensation

	1 Ocak - 31 Mart 2009	1 Ocak - 31 Mart 2008
Salaries and other current employment benefits	**3,410**	2,556
Termination benefits	**128**	112
	3,538	2,668

d) Financial liabilities to related party

The Company does not hav any financial debt as of March 31, 2009

As of December 31, 2008 - the Company obtained short term loans from its related party, namely Albaraka Türk Katılım Bankası A.Ş., and the details of this loan is disclosed in Note 9.

11. Other payables and accrued liabilities

	March 31, 2009	December 31, 2008
Payroll withholdings, social security taxes and other taxes	**11,037**	12,423
VAT payable	**7,562**	3,531
Other (*)	**6,322**	5,652
	24,921	21,606

(*) Includes the notes payable amounting to (i) USD 97,160 (full USD) (TL 164) (December 31, 2008 - USD 134,400 (full USD) (TL 206)) that was issued to acquire a land in Balıkesir.

12. Taxes

General information

The Company is subject to taxation in accordance with the tax procedures and the legislation effective in Turkey.

In Turkey, the corporation tax rate for the fiscal years ending March 31, 2009 and December 31, 2008 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.

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.

15% (December 31, 2008 - 15%) withholding applies to dividends distributed by resident corporations to resident real persons, those who are not liable to income and corporation tax, non-resident real persons, non-resident corporations (excluding those that acquire dividend through a permanent establishment or permanent representative in Turkey) and non-resident corporations exempted from income and corporation tax. Dividend distributions by resident corporations to resident corporations are not subject to a withholding tax. Furthermore, in the event the profit is not distributed or included in capital, no withholding tax shall be applicable.

With the new law enacted, effective from January 1, 2006, if the ratio of the borrowings from shareholders of a company or from its related parties exceeds three times the shareholders' equity of the borrower company at any time within the relevant year, the exceeding portion of the borrowing will be considered as disguised capital. In addition to the interest paid or accrued, foreign exchange losses and other similar expense calculated over the borrowed amount exceeding the above mentioned criteria are treated as non-deductible for corporate income tax purposes. Such interest expense will be considered as non-deductible expenses when calculating the corporate tax base of the borrower company.

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

12. Taxes (continued)

The composition of income tax payable as of March 31, 2009 and December 31, 2008 is as follows:

	March 31, 2009	December 31, 2008
Corporate tax payable	**13,930**	27,589
Prepaid tax	**(827)**	(24,333)
Income tax payable	**13,103**	3,256

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 years ended March 31, 2009 and December 31, 2008 is as follows:

	January 1-March 31, 2009	January 1-March 31, 2008
Net income before tax	**69,139**	43,933
Income tax at 20%	**(13,828)**	(8,787)
Effect of non tax deductible and tax exempt items, net	**(217)**	(110)
Provision for taxes	**(14,045)**	(8,897)
- current	**(13,930)**	(8,894)
- deferred	**(115)**	(3)

Deferred income tax

Deferred income taxes relate to the following:

	Balance sheet		Statement of income	
	March 31, 2009	December 31, 2008	**March 31, 2009**	March 31, 2008
Deferred tax liability				
Restatement effect on non-monetary items	**13,770**	13,654	116	(181)
Deferred tax asset				
Reserve for long term defined employee benefit plan	**(1,338)**	(1,270)	(68)	(28)
Others	**(1,862)**	(1,929)	67	212
	10,570	10,455		
Deferred tax charge			115	3

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

12. Taxes (continued)

Movement of net deferred tax liability is presented as follows:

	March 31, 2009	December 31, 2008
Balance at January 1	**10,455**	8,970
Deferred tax charge/(credit) recognized in statement of income	**115**	1,485
Balance at the end of period	**10,570**	10,455

13. 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 TL 2,260 and TL 2,173 at March 31, 2009 and December 31, 2008, 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, as long as the cumulative unrecognized portion exceeds 10% of the present value of defined benefit obligation, are recognized in the statement of income over the average remaining working lives of employees. Actuarial gains and losses are determined 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.

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

	March 31, 2009	December 31, 2008
Discount rate	12%	12%
Expected rate of salary/limit increases	5.4%	5.4%

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

	March 31, 2009	December 31, 2008
Current service cost	**428**	**1,240**
Financial expense of long-term defined employee benefit plan	**194**	**504**
Actuarial (gain) loss recognized in the year	**-**	**(4)**
Net benefit expense	**622**	**1,740**

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

13. Long-term defined employee benefit plan (continued)

	March 31, 2009	December 31, 2008
Defined benefit obligation	**6,969**	6,629
Unrecognized actuarial gains / (losses)	**(280)**	(280)
Benefit liability	**6,689**	6,349

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

	March 31, 2009	December 31, 2008
Defined benefit obligation at January 1	**6,629**	5,101
Financial expense of long-term defined employee benefit plan	**194**	504
Current service cost	**428**	1,240
Benefits paid	**(282)**	(1,106)
Actuarial(gain)/loss on obligation	**-**	890
Defined benefit obligation at the end of the year	**6,969**	6,629

14. Share capital

As of March 31, 2009 and December 31, 2008, the breakdown of shareholders and their ownership percentages in the Company (all in historical terms) can be summarized as follows:

	March 31, 2009		December 31, 2008	
	Historical amount	**%**	Historical amount	%
Mustafa Latif Topbaş	**14,733**	**19.4**	14,733	19.4
Abdulrahman A. El Khereiji	**14,106**	**18.6**	14,106	18.6
Ahmet Afif Topbaş	**5,286**	**7.0**	5,286	7.0
Zuhair Fayez	**2,994**	**4.0**	2,994	4.0
Firdevs Çizmeci	**900**	**1.1**	900	1.1
Ömer Hulusi Topbaş	**90**	**0.1**	90	0.1
Public	**37,791**	**49.8**	37,791	49.8
	75.900	**100**	75.900	100
Effect of restatement (Note 2)	**8,421**		8,421	
Total	**84,321**		84,321	

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

15. Risk management policy

The Company's principal financial instruments comprise cash and short-term deposits. 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 receivables and payables which arise directly from its operations. The Company manages its capital through cash provided by its operations and review of the maturities of the trade payables.

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Since the Company is engaged in the retail sector and transactions are mainly on a cash basis, the exposure to credit, liquidity and price risk is minimal. Trade receivables mainly consist of credit card receivables from reliable banks therefore credit risk exposure is at minimal level.

As of March 31, 2009, there are not any profit nate risks on liabilities of the Company since obligations under borrowings have fixed rates and short- term natured as disclosed in Note 9.

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 March 31, 2009 and December 31, 2008 based on contractual undiscounted payments.

	Book value	**On demand**	**Less than 3 months**	**3 to 12 months**	**1-5 years**
March 31, 2009					
Bank borrowings	**-**	**-**	**-**	**-**	**-**
Trade payables	**500,761**	**500,761**	**500,761**	**-**	**-**
Due to related parties	**108,000**	**108,000**	**108,000**	**-**	**-**
Other payables and accrued expenses	**19,428**	**19,428**	**19,091**	**173**	**164**
December 31, 2008					
Bank borrowings	21,778	21,778	21,778	-	-
Trade payables	436,734	436,734	436,734	-	-
Due to related parties	79,966	79,966	79,966	-	-
Other payables and accrued expenses	16,627	16,627	16,277	144	206

As of March 31, 2009 and December 31, 2008, the foreign currency position of the Company is summarized below:

			March 31, 2009			December 31, 2008
	Currency	**USD Amount**	**TL Equivalent**	Currency	USD Amount	TL Equivalent
Foreign currency denominated assets	**USD**	**90,102**	**152**	USD	90,422	137
	EURO	**1,178**	**3**	EURO	12,367	26
Total			**155**			163
Foreign currency denominated liabilities	**USD**	**233,560**	**394**	USD	270,760	409
Total			**394**			409

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

15. Risk management policy (continued)

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	
March 31, 2009	**USD**	**+10%**	**(24)**	**(10%)**	**24**
	EUR	**+10%**		**(10%)**	
	GBP	**+10%**		**(10%)**	
December 31, 2008	USD	+10%	(27)	(10%)	27
	EUR	+10%	3	(10%)	(3)
	GBP	+10%	-	(10%)	-

16. Cost of sales

Cost of sales for the years ending March 31, 2009 and 2008 is as follows:

	March 31, 2009	March 31, 2008
Beginning inventory	**229,342**	166,066
Purchases	**1,006,306**	839,752
Ending inventory	**(237,458)**	(199,273)
	998,190	806,545

17. Selling and marketing expenses

The breakdown of selling and marketing expenses for the years ending March 31, 2009 and 2008 is as follows:

	March 31, 2009	March 31, 2008
Personnel expenses	**57,554**	41,594
Rental expenses	**34,795**	24,207
Depreciation and amortisation expenses	**11,789**	8,329
Water, electricity and communication expenses	**10,012**	6,411
Packaging expenses	**5,954**	5,437
Trucks fuel expense	**3,285**	3,864
Advertising expenses	**3,827**	3,141
Maintenance and repair expenses	**3,420**	2,559
Provision for employee termination benefit	**347**	251
Other	**4,706**	4,681
	135,689	100,474

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

18. General and administrative expenses

The breakdown of general and administrative expenses for the years ending March 31, 2009 and 2008 is as follows:

	March 31, 2009	March 31, 2008
Personnel expenses	**13,936**	10,416
Depreciation and amortisation expenses	**1,458**	1,244
Money collection expenses	**889**	715
Legal and consultancy expenses	**639**	546
Motor vehicle expenses	**772**	781
Water, electricity and communication expenses	**284**	312
Office supplies expenses	**93**	102
Provision for employee termination benefits	**81**	58
Other	**3,320**	3,180
	21,472	17,354

19. Personnel and depreciation / amortization expenses

(a) Personnel expenses

	March 31, 2009	March 31, 2008
Staff costs		
Wages and salaries	**60,094**	43,841
Provision for employee termination benefits	**428**	310
Cost of defined contribution plan (employer's share of social security premiums)	**11,396**	8,169
	71,918	52,320

(b) Depreciation and amortization expenses

	March 31, 2009	March 31, 2008
Selling and marketing expenses	**11,789**	8,329
General and administrative expenses	**1,458**	1,244
	13,247	9,573

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

20. Financial income and expense

Financial income/ (expense) for the years ended March 31, 2009 and 2008 can be summarized as follows:

	March 31, 2009	March 31, 2008
Financial income		
Foreign exchange gains	**630**	59
Income from deposits	**14**	1,114
	644	1,173
Financial expense		
Financial expense of long-term defined employee benefit plan	**(194)**	(126)
Bank financial expense	**(462)**	-
Foreign exchange losses	**(7)**	(1,011)
Other financial expense	**(16)**	(5)
	(679)	(1,142)
Financial income, net	**(35)**	31

21. Other income / (expense), net

a) Other income

The breakdown of other income / (expense), net for the years ended March 31, 2009 and 2008 is as follows:

	March 31, 2009	March 31, 2008
Gain on sale of scrap materials	**773**	1,079
Other	**1,154**	758
Other income	**1,927**	1,837

b) Other expense

	March 31, 2009	March 31, 2008
Loss on sale of property and equipment and intangibles	**160**	366
Litigation and other provision expense	**316**	34
Other	**195**	198
Other expense	**671**	598

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

22. Earnings per share and dividends

Basic earnings per share (EPS) are calculated by dividing the net profit for the periodby the weighted average number of ordinary shares outstanding during the year. The basic EPS for the period ended March 31, 2009 and 2008 are 0,726 (full TL) and 0,462 (full TL), respectively. There are no dilutive instruments outstanding hence fully diluted earnings per share are the same.

	March 31, 2009	December 31, 2008
Beginning number of shares	**75,900,000**	25,300,000
Number of issued shares	**-**	50,600,000
Ending number of shares	**75,900,000**	75,900,000

23. 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.

The Company is subject to dividend requirements of the Turkish Capital Market Board.

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.

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

As of March 31, 2009 and December 31, 2008, extraordinary reserves, legal reserves and net profit for the period/year (as per the statutory financial statements of the Company) are as follows (TL):

	March 31, 2009	December 31, 2008
Extraordinary reserves	**8,567**	8,576
Legal reserves	**19,469**	19,469
Net profit for the year	**55,101**	109,911

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

24. Contingencies and commitments

(i) As of March 31, 2009 and December 31, 2008, the total amount of outstanding lawsuits filed against the Company is TL 284 and TL 2,618 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 TL 2,537 at March 31, 2009 and TL 2,280 at December 31, 2008.

(iii) As of December 31, 2008 the Company has operating lease commitments for each of the following years:

	TL
Not later than one year	8
Later than one year and not later than five years	156
Later than five years	32

(iv) 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.

25. Subsequent Event

In Ordinary General Meeting held on April 24, 2009, it is decided to distribute gross 60,720,000 TL (0,8 TL per share in gross) cash dividend from 2008 net profit.