(Convenience translation of a report and financial statements originally issued in Turkish)

BİM Birleşik Mağazalar Anonim Şirketi

Consolidated financial statements at December 31, 2010 together with Independent auditors' report

(Convenience translation of a report and financial statements originally issued in Turkish)

BİM Birleşik Mağazalar Anonim Şirketi and its Subsidiary

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(Convenience translation of a report and financial statements originally issued in Turkish)

Independent auditors’ report on the consolidated financial statements for the year ended December 31, 2010

To the Shareholders of
BİM Birleşik Mağazalar Anonim Şirketi

Introduction

We have audited the accompanying consolidated balance sheet of BİM Birleşik Mağazalar Anonim Şirketi (the Company) and its Subsidiary as of December 31, 2010 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and explanatory notes.

Management's responsibility for the financial statements

The Company’s management is responsible for the preparation and fair presentation of financial statements in accordance with financial reporting standards published by the Capital Market Board in Turkey (the CMB). This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error and/or fraud; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Independent auditors’ responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our audit was conducted in accordance with standards on auditing issued by the CMB. Those standards require that ethical requirements are complied and independent audit is planned and performed to obtain reasonable assurance whether the financial statements are free from material misstatement.

An independent audit involves performing independent audit procedures to obtain independent audit evidence about the amounts and disclosures in the financial statements. The independent audit procedures selected depend on our professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error and/or fraud. In making those risk assessments, the Company’s internal control system is considered. Our purpose, however, is not to express an opinion on the effectiveness of internal control system, but to design independent audit procedures that are appropriate for the circumstances in order to identify the relation between the financial statements prepared by the Company and its internal control system. Our independent audit includes also evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company’s management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained during our independent audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly the financial position of BİM Birleşik Mağazalar Anonim Şirketi and Its Subsidiary as at December 31, 2010 and their financial performance and cash flows for the year then ended in accordance with financial reporting standards published by the Capital Market Board in Turkey.

Additional paragraph for convenience translation to English :

As at 31 December 2010, the accounting principles described in Note 2 (defined as CMB Financial Reporting Standards) to the accompanying financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting and also for certain disclosures requirement of the CMB. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Metin Canoğulları, SMMM
Partner

March 8, 2011
Istanbul, Turkey

BİM Birleşik Mağazalar Anonim Şirketi and its Subsidiary

Consolidated balance sheet
as at December 31, 2010
(Currency – Thousands of Turkish Lira)

Assets

	Notes	Current period December 31, 2010 Audited	Prior period December 31, 2009 Audited
Current assets		**814.785**	612.110
Cash and cash equivalents	6	**257.571**	166.542
Trade receivables	10	**192.453**	161.357
Inventories	13	**335.999**	257.851
Other current assets	26	**28.762**	26.360
Non-current assets		**557.283**	487.551
Property and equipment	18	**549.338**	479.093
Intangible assets	19	**2.759**	3.532
Deferred tax asset	35	**349**	-
Other non-current assets	26	**4.837**	4.926
Total assets		**1.372.068**	1.099.661

The accompanying policies and explanatory notes on pages 8 through 45 form an integral part of the financial statements.

BİM Birleşik Mağazalar Anonim Şirketi and its Subsidiary

Consolidated balance sheet
as at December 31, 2010
(Currency – Thousands of Turkish Lira)

Liabilities and equity

	Notes	Current period December 31, 2010 Audited	Prior period December 31, 2009 Audited
Current liabilities		**853.070**	693.078
Financial liabilities	8	**7.662**	-
Trade payables			
- Due to related parties	37	**97.365**	110.739
- Other trade payables	10	**701.398**	542.706
Other current liabilities	26	**23.259**	20.726
Income tax payable	35	**15.716**	11.634
Accrued liabilities	22	**7.670**	7.273
Non-current liabilities		**18.566**	18.528
Reserve for employee termination benefits	24	**9.523**	7.567
Deferred tax liability	35	**9.043**	10.961
Equity		**500.432**	388.055
Equity attributable to parent		**500.432**	388.055
Paid-in share capital	27	**151.800**	75.900
Inflation adjustment on paid-in share capital	27	**-**	6.956
Revaluation surplus	18, 27	**15.704**	15.704
Currency translation difference		**618**	1.056
Restricted reserves allocated from profits	27	**51.599**	34.072
Prior year profits	27	**35.071**	41.425
Net income for the period		**245.640**	212.942
Total liabilities and equity		**1.372.068**	1.099.661

The accompanying policies and explanatory notes on pages 8 through 45 form an integral part of the financial statements.

BİM Birleşik Mağazalar Anonim Şirketi and its Subsidiary

Consolidated statement of comprehensive income for the year ended December 31, 2010
(Currency – Thousands of Turkish Lira)

	Notes	Current period January 1, 2010 - December 31, 2010 Audited	Prior period January 1, 2009 - December 31, 2009 Audited
Continuing operations			
Net sales	28	**6.573.951**	5.323.390
Cost of sales (-)	28	**(5.469.272)**	(4.378.501)
Gross profit		**1.104.679**	944.889
Selling, marketing and distribution expenses (-)	29	**(708.805)**	(593.992)
General and administrative expenses (-)	29	**(104.358)**	(92.188)
Other operating income	31	**11.253**	10.129
Other operating expenses (-)	31	**(7.104)**	(6.463)
Operating profit		**295.665**	262.375
Financial income	32	**13.993**	7.908
Financial expense (-)	33	**(3.657)**	(1.712)
Net income before taxes from continuing operations		**306.001**	268.571
Tax expense for continuing operations			
- Current tax expense for the period	35	**(62.628)**	(54.777)
- Deferred tax expense	35	**2.267**	(852)
Net income		**245.640**	212.942
Other comprehensive income			
Change in revaluation fund		**-**	2.732
Change in currency translation difference		**(438)**	1.056
Tax income of other comprehensive income		**-**	98
Other comprehensive income (after tax)		**(438)**	3.886
Total comprehensive income		**245.202**	216.828
Profit for the period attributable to			
Share of the parent		**245.640**	212.942
Minority interest		**-**	-
Total comprehensive income attributable to			
Share of the parent		**245.202**	216.828
Minority interest		-	-
Weighted average number of shares (each equals to TL 1)		**151.800.000**	151.800.000
Earnings per share attributable to equity holders of the parent (full TL)	36	**1,618**	1,403

The accompanying policies and explanatory notes on pages 8 through 45 form an integral part of the financial statements.

BİM Birleşik Mağazalar Anonim Şirketi and its Subsidiary

Consolidated statement of changes in equity
for the year ended December 31, 2010
(Currency – Thousands of Turkish Lira)

	Paid-in share capital	Inflation adjustment on paid-in share capital	Revaluation surplus	Currency translation difference	Restricted reserves allocated from profits	Prior year profits	Net income for the period	Total equity
December 31, 2008	75.900	6.956	12.874	-	19.469	36.724	114.180	266.103
Transfer to prior year profits	-	-	-	-	-	53.460	(53.460)	-
Transfers to restricted reserves allocated from profits	-	-	-	-	14.603	(14.603)	-	-
Dividends paid	-	-	-	-	-	(34.156)	(60.720)	(94.876)
Net income for the period	-	-	-	-	-	-	212.942	212.942
Other comprehensive income	-	-	2.830	1.056	-	-	-	3.886
Total comprehensive income	-	-	2.830	1.056	-	-	212.942	216.828
December 31, 2009	**75.900**	**6.956**	**15.704**	**1.056**	**34.072**	**41.425**	**212.942**	**388.055**
Transfer to prior year profits	**-**	**-**	**-**	**-**	**-**	**212.942**	**(212.942)**	**-**
Transfer to restricted reserves allocated from profits	**-**	**-**	**-**	**-**	**17.527**	**(17.527)**	**-**	**-**
Capital issue (Note 27)	**75.900**	**(6.956)**	**-**	**-**	**-**	**(68.944)**	**-**	**-**
Dividends paid (Note 27)	**-**	**-**	**-**	**-**	**-**	**(132.825)**	**-**	**(132.825)**
Net income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**245.640**	**245.640**
Other comprehensive income	**-**	**-**	**-**	**(438)**	**-**	**-**	**-**	**(438)**
Total comprehensive income	**-**	**-**	**-**	**(438)**	**-**	**-**	**245.640**	**245.202**
December 31, 2010	**151.800**	**-**	**15.704**	**618**	**51.599**	**35.071**	**245.640**	**500.432**

The accompanying policies and explanatory notes on pages 8 through 45 form an integral part of the financial statements.

BİM Birleşik Mağazalar Anonim Şirketi and its Subsidiary

Statement of consolidated cash flows for the year ended December 31, 2010

(Currency – Thousands of Turkish Lira)

	Notes	Current period January 1, 2010-December 31, 2010 Audited	Prior period January 1, 2009-December 31, 2009 Audited
Cash flows from operating activities			
Profit before tax		**306.001**	268.571
Adjustments to reconcile profit before tax to net cash provided by operating activities:			
Depreciation and amortization	18, 19	**64.837**	55.475
Profit share income from deposit accounts	32	**(12.479)**	(7.346)
Allowance for doubtful receivable, net	10	**170**	(66)
Financial expense of employee termination benefit	24	**1.257**	777
Provision for employee termination benefit	24	**2.651**	1.778
Loss on sale of property and equipment and intangibles	31	**2.190**	2.145
Provision for impairment of property and equipment	18, 31	**-**	802
Accrued liabilities		**397**	2.088
Provision / (reversal) for impairment of inventories	13	**(970)**	(381)
Operating income before working capital changes		**364.054**	323.843
Net working capital changes in:			
Trade receivables		**(31.266)**	(46.981)
Inventories		**(77.178)**	(26.612)
Other current assets		**(2.402)**	(4.913)
Other non-current assets	26	**246**	3.216
Other trade payables		**158.692**	112.102
Due to related parties		**(13.374)**	31.898
Other current liabilities		**2.533**	4.305
Other non-current liabilities		**-**	(206)
Income taxes paid		**(58.546)**	(46.399)
Employee termination benefit paid	24	**(1.952)**	(1.337)
Net cash generated by operating activities		**340.807**	348.916
Cash flows from investing activities:			
Purchase of property and equipment	18	**(140.833)**	(131.697)
Purchase of intangibles	19	**(881)**	(1.875)
Advances given for purchase of property and equipment		**(157)**	746
Proceeds from sale of property and equipment and intangibles		**5.073**	2.257
Profit share received from deposit accounts		**12.378**	6.895
Net cash used in investing activities		**(124.420)**	(123.674)
Cash flows from financing activities:			
Dividends paid		**(132.825)**	(94.876)
Proceeds from bank borrowings	8	**7.662**	-
Repayment of bank borrowings	8	**-**	(21.778)
Net cash used in financing activities		**(125.163)**	(116.654)
Currency translation differences		**(296)**	1.056
Increase in cash and cash equivalents		**90.928**	109.644
Cash and cash equivalents at the beginning of the year		**166.091**	56.447
Cash and cash equivalents at the end of the year	6	**257.019**	166.091

The accompanying policies and explanatory notes on pages 8 through 45 form an integral part of the financial statements.

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

1. Organization and nature of operations of the Company

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

The Company is engaged in operating retail stores through its retail shops throughout Turkey, which sell an assortment of approximately 600 items, including a number of private labels. The Company is publicly traded in Istanbul Stock Exchange (ISE) since July 2005.

The Company established a new company named Bim Stores SARL on May 19, 2008 with 100% ownership in Morocco which is engaged in hard discount retail sector and started to operate on April 11, 2009. BIM Stores SARL financial statements are consolidated by using the full consolidation method as of December 31, 2010.

Hereinafter, the Company and its consolidated subsidiary together will be referred to as “the Group”.

The main and ultimate controlling party of the Group is Mustafa Latif Topbaş. The consolidated financial statements were authorized for issue on March 8, 2011 by the Board of Directors of the Company. Although there is no such intention, the General Assembly and certain regulatory bodies have the power to amend the financial statements after issue.

For the years ended December 31, 2010 and 2009, the average number of workers in accordance with their categories is shown below:

	January 1- December 31, 2010	January 1 - December 31, 2009
Office personnel	**1.113**	1.070
Warehouse personnel	**1.935**	1.802
Store personnel	**13.460**	11.669
Total	**16.508**	14.541

2. Basis of preparation of financial statements

Basis of preparation

The Company maintains its books of account and prepares its statutory financial statements in Turkish Lira (TL) in accordance with regulations on accounting and reporting framework and the Uniform Chart of Accounts issued by the Ministry of Finance. The legal statutory financial statements of the subsidiary established outside of Turkey are prepared in accordance with law and tax legislation in the country it is domiciled.

The financial statements of the Company have been prepared in accordance with accounting and reporting standards (the CMB Accounting Standards) as prescribed by the Turkish Capital Market Board (the CMB) until December 31, 2007.

2. Basis of preparation of financial statements (continued)

The CMB has issued communiqué no. XI-25 “Communiqué on Accounting Standards in Capital Markets” which sets out a comprehensive set of accounting principles. In this Communiqué, the CMB stated that alternatively application of accounting standards prescribed by the International Accounting Standards Board (IASB) and International Accounting Standards Committee (IASC) will also be considered to be compliant with the CMB Accounting Standards. Beginning from January 1, 2008, the financial statements are prepared in accordance with International Accounting / Financial Reporting Standards (IAS/IFRS) as prescribed in the CMB communiqué published in the official gazette dated April 9, 2008 and after became effective No:XI-29 "Communiqué on Financial Reporting Standards in Capital Markets" (Communiqué) and from the statutory financial statements with adjustments and reclassifications for the purpose of fair presentation. Such adjustments mainly comprise accounting for subsidiary on a consolidation basis, provision for impairment of stock, deferred taxation, employee termination benefits, fair value accounting of land and buildings and rediscount of trade receivables and payables.

The consolidated financial statements have been prepared under the historical cost convention, except for land and building which are carried at fair value.

Changes in accounting policies

The accounting policies adopted in the preparation of the Group’s consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2009, except for the adoption of new standards and interpretations as of January 1, 2010, noted below:

Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except those summarized below. The Group has adopted the following new and amended IFRS and IFRIC interpretations as of 1 January 2010.

- IFRIC 17 Distributions of Non-cash Assets to Owners
- IAS 39 Financial Instruments: Recognition and Measurement (Amended) – eligible hedged items
- IFRS 2 Group Cash-settled Share-based Payment Transactions (Amended)
- IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)
- Improvements to IFRSs, May 2008
- Improvements to IFRSs April 2009

Adoption of the standards or interpretations does not have an impact on the financial statements or performance of the Group.

2. Basis of preparation of financial statements (continued)

Amendments -resulting from improvements to IFRSs published in April 2009- to the following standards which had or did not have an effect on the accounting policies, financial position or performance of the Group are as follows:

- IFRS 2 Share-based Payment
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
- IFRS 8 Operating Segment Information
- IAS 1 Presentation of Financial Statements
- IAS 7 Statement of Cash Flows
- IAS 17 Leases
- IAS 18 Revenue
- IAS 36 Impairment of Assets
- IAS 38 Intangible Assets
- IAS 39 Financial Instruments: Recognition and Measurement
- IFRIC 9 Reassessment of Embedded Derivatives
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation

Standards issued but not yet effective and not early adopted by the Group and the amendments to current standards and interpretations:

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
The interpretation is effective for annual periods beginning on or after 1 July 2010. This interpretation addresses the accounting treatment when there is a renegotiation between the entity and the creditor regarding the terms of a financial liability and the creditor agrees to accept the entity's equity instruments to settle the financial liability fully or partially. IFRIC 19 clarifies such equity instruments are "consideration paid" in accordance with paragraph 41 of IAS 39. As a result, the financial liability is derecognised and the equity instruments issued are treated as consideration paid to extinguish that financial liability. The Group does not expect that the amendment will have impact on the financial position or performance of the Group.

IFRIC 14 Prepayments of a Minimum Funding Requirement (Amended)
The amendment is effective for annual periods beginning on or after 1 January 2011. The purpose of this amendment was to permit entities to recognize as an asset some voluntary prepayments for minimum funding contributions. This Earlier application permitted and must be applied retrospectively. The Group does not expect that the amendment will have impact on the financial position or performance of the Group.

IFRS 9 Financial Instruments – Phase 1 financial assets, classification and measurement
The new standard is effective for annual periods beginning on or after 1 January 2013. Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial assets. Early adoption is permitted. This standard has not been approved by the European Union yet. The Group does not expect that the amendment will have impact on the financial position or performance of the Group.

IAS 32 Classifications on Rights Issues (Amended)
The amendment is effective for annual periods beginning on or after 1 February 2010. This amendment relates to the rights issues offered for a fixed amount of foreign currency which were treated as derivative liabilities by the existing standard. The amendment states that if certain criteria are met, these should be classified as equity regardless of the currency in which the exercise price is denominated. The amendment is to be applied retrospectively The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

2. Basis of preparation of financial statements (continued)

IAS 24 Related Party Disclosures (Revised)
The revision is effective for annual periods beginning on or after 1 January 2011. This revision relates to the judgment which is required so as to assess whether a government and entities known to the reporting entity to be under the control of that government are considered a single customer. In assessing this, the reporting entity shall consider the extent of economic integration between those entities. Early application is permitted and adoption shall be applied retrospectively. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

IFRS 1 Limited Exemption from Comparative IFRS 7 Disclosures for the first time adopters (Amended)
The amendment is effective for annual periods beginning on or after 1 July 2010. This amendment was issued on 28 January 2010 and exempts first-time adopters of IFRSs from providing the additional disclosures introduced by IFRS 7 on 5 March 2009. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The effective dates of the improvements are various and the earliest is for the financial year beginning 1 July 2010. Early application is permitted in all cases.

- **IFRS1 First-time adoption,** effective for annual periods beginning on or after 1 January 2011
- **IFRS 3 Business Combinations,** effective for annual periods beginning on or after 1 July 2010
- **IFRS 7 Financial Instruments:** Disclosures, effective for annual periods beginning on or after 1 January 2011.
- **IAS 1 Presentation of Financial Statements,** effective for annual periods beginning on or after 1 January 2011.
- **IAS 27 Consolidated and Separate Financial Statements,** effective for annual periods beginning on or after 1 July 2010.
- **IAS 34 Interim Financial Reporting,** effective for annual periods beginning on or after 1 January 2011.
- **IFRIC 13 Customer Loyalty Programmes,** effective for annual periods beginning on or after 1 January 2011.

IFRS 7 Financial Instruments: Disclosures as part of its comprehensive review of off balance sheet activities (Amended)
The amendment is effective for annual periods beginning on or after 1 July 2011. The purpose of this amendment is to allow users of financial statements to improve their understanding of transfer transactions of financial assets (e.g. securitisations), including understanding the possible effects of any risks that may remain with the entity which transferred the assets. The amendment also requires additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

2. Basis of preparation of financial statements (continued)

IAS 12 Income Taxes-Deferred Taxation: Recovery of Main assets (Amendment)
The amendments are mandatory for annual periods beginning on or after 1 January 2012, but earlier application is permitted. IAS 12 has been updated to include i) a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale and ii) a requirement that deferred tax on non-depreciable assets, measured using the revaluation model in IAS 16, should always be measured on a sale basis. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

Functional and presentation currency

The functional and presentation currency of the Company is Turkish Lira (TL).

The functional currency of the Company's subsidiary, BIM Stores SARL, is Maroc Dirham (MAD). In the consolidated financial statements, MAD amounts presented in the balance sheet are translated into Turkish Lira at the official TL exchange rate for purchases of MAD announced by the Central Bank of the Republic of Turkey at the balance sheet date, MAD 1,00 (full) = TL 5,429, MAD amounts in the statement of comprehensive income have been translated into TL, at the average TL exchange rate for purchases of MAD, is MAD 1,00 (full) = TL 5,602. Differences that occur by the usage of closing and average exchange rates are followed under currency translation differences classified under equity.

Reclassifications made in 2009 financial statements

a) For the purpose of consistent presentation of the financial statements as of December 31, 2009 compared to financial statements as of December 31, 2010, "Other trade payables" amounting to TL 5.913 has been classified to "Due to related parties".

b) The classifications made to the consolidated cash flow statement as of December 31, 2009 are as follows;

- The change amounting to TL 746 presented under "Purchase of property and equipment" in cash flow from investing activities is classified to "Advances given for purchase of property and equipment".
- The change amounting to TL 66 presented under "Trade receivables" in "Net working capital changes" is classified as under "Allowance for doubtful receivable" in "Operating income before working capital changes"
- The accrual for "Profit share received from deposit accounts" amounting to TL 451 presented as change under "Profit share received from deposit accounts" in "Cash flow from investing activities" is presented separately from "Cash and cash equivalents at the end of the year"

2. Basis of preparation of financial statements (continued)

Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent company and its subsidiary prepared for the year ended December 31, 2010. Subsidiary is consolidated from the date on which control is transferred to the Group. The consolidated financial statements cover BİM and the subsidiary with 100% control.

Subsidiary is consolidated by using the full consolidation method; therefore, the carrying value of subsidiary is eliminated against the related shareholders' equity.

Intercompany balances and transactions between BİM and its subsidiary, including intercompany unrealized profits and losses are eliminated. Consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liabilities simultaneously.

Accounting estimates

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

Significant estimates used in the preparation of these financial statements and the significant judgments with the most significant effect on amounts recognized in the financial statements are mainly related with accounting of employee termination benefits, provision for inventories, revaluation of land and buildings, assessment of economic useful lives of property, plant and equipment and intangibles and provision for income taxes.

Summary of significant accounting policies

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be reliably measured. Revenue is recognized net of discounts and Value Added Tax (VAT) when delivery has taken place and transfer of risks and rewards has been completed.

Profit shares income from participations banks are recognized according to the accrual basis.

2. Basis of preparation of financial statements (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks, cash in transit and 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, 2009 – 10 days) as of balance sheet date, are carried at amortized cost less an allowance for any uncollectible amounts. Estimate is made for the doubtful provision when the collection of the trace receivable is not probable.

Inventories

Inventories are valued at the lower of cost and net realizable value. Costs comprise purchase cost and, where applicable and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined by the first in first out method. Net realizable value is the estimated selling price less estimated costs necessary to realize sale.

Property and equipment

All property and equipment is initially recorded at cost. Land and building are subsequently measured at revalued amounts which are the fair value at the date of the revaluation, based on valuations by external independent valuers, less subsequent depreciation for building. All other property and equipment is stated at cost less accumulated depreciation and accumulated impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the related accounts and any gain or loss resulting from their disposal is included in the statement of income. On disposal of revalued assets, amounts in revaluation reserves relating to that asset are transferred to retained earnings.

The initial cost of property and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset ready for use. Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance, are normally charged to income in the year the costs are incurred. If the asset recognition criteria are met, the expenditures are capitalized as an additional cost of property and equipment.

Increases in the carrying amount arising on revaluation of property are initially credited to revaluation reserve in shareholders’ equity net of the related deferred tax.

Depreciation is provided on cost or revalued amount of property and equipment on a straight-line basis. The depreciation periods for property and equipment, which approximate the estimated economic useful lives of such assets, are as follows:

	Year
Land improvements	5
Building	25
Machinery and equipment	4- 10
Furniture and fixtures	5- 10
Vehicles	5- 10
Leasehold improvements	5- 10

2. Basis of preparation of financial statements (continued)

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.

Intangible assets

Intangible assets which mainly comprise software rights are measured initially at cost. Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise; and the cost of the asset can be measured reliably. After initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets excluding development costs, created within the business are not capitalized and expenditure is charged against profits in the year in which it is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortized on a straight line basis over the best estimate of their useful lives. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of income in the expense category consistent with the function of the intangible asset.

The Group does not have any intangible assets with indefinite useful lives.
The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Impairment of non-financial assets

The carrying values of assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the statement of income. The recoverable amount of property and equipment is the greater of net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life while the net selling price is the amount obtainable from the sale of an asset after cost of sales deducted.

Trade payables

Trade payables which generally have an average of 48 day term (December 31, 2009 - 49 days) are initially recorded at original invoice amount and carried at amortized cost. This amount is the fair value of consideration to be paid in the future for goods and services received, whether or not billed.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalized as part of the cost of that asset. Such borrowing costs are capitalized as part of the cost of the asset when it is probable that they will result in future economic benefits to the entity and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the period in which they are incurred.

2. Basis of preparation of financial statements (continued)

Financial instruments

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

When a financial instrument gives rise to a contractual obligation on the part of the Group to deliver cash or another financial asset or to exchange another financial instrument under conditions that are potentially unfavorable, it is classified as a financial liability. The instrument is an equity instrument if, and only if, both conditions (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 Group's own equity instruments, it is a non-derivative that includes no contractual obligation for the Group to deliver a variable number of its own equity instruments; or a derivative that will be settled only by the Group exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets. When financial assets are recognized initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate re-evaluates this designation at each financial year/period-end.

All regular way purchases and sales of financial assets are recognized on the trade date, which is the date that the Group commits to purchase/sell 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.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method. Gains and losses are recognized in income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Recognition and derecognition of financial assets and liabilities

The Group recognizes a financial asset or financial liability in its balance sheet when only when it becomes a party to the contractual provisions of the instrument. The Group derecognizes a financial asset or a portion of it only when the control on rights under the contract is discharged. The Group derecognizes a financial liability when the obligation under the liability is discharged or cancelled or expires.

All regular way financial asset purchase and sales are recognized at the date of the transaction, the date the Group committed to purchase or sell.

2. Basis of preparation of financial statements (continued)

Impairment of financial assets

The Group assesses at each balance sheet date whether a financial asset is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognized in the consolidated statement of income.

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

Provision for impairment is provided when there is an objective evidence of uncollectibility of trade receivables. Reserve is provided for the overdue uncollectible receivables. Also portfolio reserve is provided for the not due receivables based on certain criteria. The carrying amount of the receivable is reduced through use of an allowance account.

Foreign currency transactions

Transactions in foreign currencies during the period have been translated at the exchange rates prevailing at the dates of such transactions. Exchange rate differences arising on reporting monetary items at rates different from those at which they were initially recorded or on the settlement of monetary items or are recognized in the comprehensive income statement in the period in which they arise.

Foreign currency conversion rates used by the Group for the related period ended are as follows:

Dates	USD / TL (full)	EUR / TL (full)
December 31, 2010	**1,5460**	**2,0491**
December 31, 2009	1,5057	2,1603

Earnings per share

Earnings per share (EPS) are determined by dividing net income by the weighted average number of shares that have been outstanding during the period concerned. The weighted average number of shares outstanding during the year has been adjusted in respect of free shares issued without corresponding increase in resources.

Subsequent events

Post year/period-end events that provide additional information about the Group's position at the balance sheet date (adjusting events), are reflected in the financial statements. Post year/period-end events that are not adjusting events are disclosed in the notes when material.

2. Basis of preparation of financial statements (continued)

Provisions, contingent assets and contingent liabilities

i) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

ii) Contingent assets and liabilities

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

Leases

Operating leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the statement of income on a straight-line basis over the lease term.

Related parties

Parties are considered related to the Group if;

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

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

(b) the party is an associate of the Group;
(c) the party is a joint venture in which the Group is a venturer;
(d) the party is member of the key management personnel of the Group 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);

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

2. Basis of preparation of financial statements (continued)

Income taxes

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

Deferred 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 recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilized.

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

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

The effects of the deferred taxes on temporary deductible differences are recognized directly in the equity.

Reserve for employee benefits

a) Defined benefit plans:

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

As detailed in Note 24, the employee benefit liability is provided for in accordance with IAS 19 “Employee Benefits” and is based on an independent actuarial study.

In the consolidated financial statements, the Group has recognized a liability using the “Projected Unit Credit Method”. Actuarial gains and losses, as long as the cumulative unrecognized portion exceed 10% of the present value of the defined benefit obligation, are recognized in the comprehensive statement of income over the average remaining working lives of employees. 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.

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

3. Business combinations

None (December 31, 2009 - None).

4. Joint ventures

None (December 31, 2009 - None).

5. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided the chief operating decision makers. The chief operating decision makers, who are responsible for allocation resources and assessing performance of the operating segments, have been identified as the senior management that makes strategic decisions.

The senior management of the Company makes strategic decisions as a whole over the operations of the Company as the Company operates in a single industry and operations outside Turkey do not present an important portion in overall operations. Based on those reasons, there is a single reportable segment in accordance with the provisions in IFRS 8 and segment reporting is not applicable.

6. Cash and cash equivalents

	December 31, 2010	December 31, 2009
Cash on hand	**39.633**	31.173
Banks		
-profit share deposits	**185.741**	111.692
-demand deposits	**21.931**	17.472
Cash in transit	**10.266**	6.205
	257.571	166.542
Less: accrual for profit share	**(552)**	(451)
	257.019	166.091

There is no restricted cash as of December 31, 2010 and 2009. As of December 31, 2010 gross profit share of percentage from participation banks for TL amounts is 7,7% (December 31, 2009 - gross 9,5%).

7. Financial investments

The Group does not have any security as of December 31, 2010 and 2009.

8. Financial liabilities

As of December 31, 2010, the Group has short term interest free bank borrowings from various banks amounting to TL 7.662 for the payment of social security premiums. These financial liabilities are closed after January 4, 2011.

As of December 31, 2009, the Group does not have any financial liabilities.

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

9. Other financial liabilities

None (December 31, 2009 - None).

10. Trade receivables and payables

a) Trade receivables, net

	December 31, 2010	December 31, 2009
Credit card receivables	**191.481**	160.905
Trade receivables	**500**	347
Doubtful receivables	**694**	524
Other receivables	**472**	105
Less: provision for doubtful receivables	**(694)**	(524)
	192.453	161.357

As of December 31, 2010 the average term of trade receivables is 10 days (December 31, 2009 - 10 days).

As of December 31, 2010 and 2009, the Group does not have any overdue trade receivables except provision for doubtful receivables.

Current year movement of allowance for doubtful receivables is as follows;

	December 31, 2010	December 31, 2009
Beginning	**524**	590
Allowance for doubtful receivable	**216**	9
Current year collection	**(46)**	(75)
Ending	**694**	524

b) Trade payables, net

	December 31, 2010	December 31, 2009
Other trade payables	**701.398**	542.706
	701.398	542.706

As of December 31, 2010, letters of guarantee and cheque amounting to TL 16.111 and mortgages amounting to TL 12.710 were received from supplier firms (December 31, 2009 – TL 9.677 letters of guarantee and cheque, TL 14.420 mortgages).

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

11. Other receivables and payables

a) **Other receivables –** As of December 31, 2010 and 2009, the Group does not have any other short-term and long-term receivables.

b) **Other payables-** As of December 31, 2010 and 2009, the Group does not have any other short-term and long-term payables.

12. Liabilities to and receivables from finance sector operations

None (December 31, 2009 – None).

13. Inventories

	December 31, 2010	December 31, 2009
Trade goods	**332.795**	255.527
Other inventory	**3.204**	2.324
	335.999	257.851

As of December 31, 2010, provision for impairment of inventory amounting to TL 1.229 was recorded (December 31, 2009 – TL 2.199).

	December 31, 2010	December 31, 2009
Beginning	**(2.199)**	(2.580)
Current year reversal	**2.199**	2.580
Provision for impairment of inventory	**(1.229)**	(2.199)
Ending	**(1.229)**	(2.199)

14. Biological assets

None (December 31, 2009 - None).

15. Assets related with construction projects in progress

None (December 31, 2009 - None).

16. Investment in associates

None (December 31, 2009 - None).

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

17. Investment properties

None (December 31, 2009 - None).

18. Property and equipment

The movements of property and equipment and the related accumulated depreciation for the years ended December 31, 2010 and 2009 are as follows:

	December 31, 2009	Additions	Disposals	Transfers	Effect of change in foreign currencies	December 31, 2010
Cost or revalued amount						
Land	70.752	8.907	-	-	-	79.659
Land improvements	1.784	519	-	-	-	2.303
Buildings	118.454	18.351	-	6.759	-	143.564
Machinery and equipment	229.907	37.368	(2.948)	-	(49)	264.278
Vehicles	46.117	11.857	(6.266)	-	(7)	51.701
Furniture and fixtures	95.855	20.055	(503)	-	(13)	115.394
Leasehold improvements	163.617	36.731	(6.463)	-	(64)	193.821
Construction in progress	17	7.045	(253)	(6.759)	-	50
	726.503	140.833	(16.433)	-	(133)	850.770
Less: Accumulated depreciation						
Land improvements	(584)	(365)	-	-	-	(949)
Building	-	(5.767)	-	-	-	(5.767)
Machinery and equipment	(108.804)	(19.371)	1.722	-	5	(126.448)
Vehicles	(22.762)	(8.636)	4.800	-	-	(26.598)
Furniture and fixtures	(62.646)	(13.121)	447	-	2	(75.318)
Leasehold improvements	(52.614)	(16.345)	2.604	-	3	(66.352)
	(247.410)	(63.605)	9.573	-	10	(301.432)
Net book value	479.093					549.338

	December 31, 2008	Additions	Disposals	Transfers	Net off	Provision for impairment	Revaluation reserve	December 31 2009
Cost or revalued amount								
Land	44.136	22.322	-	-	-	-	4.294	70.752
Land improvements	1.145	660	(21)	-	-	-	-	1.784
Buildings	104.730	24.363	-	453	(8.728)	(802)	(1.562)	118.454
Machinery and equipment	198.219	32.695	(1.156)	149	-	-	-	229.907
Vehicles	42.317	7.186	(3.386)	-	-	-	-	46.117
Furniture and fixtures	85.511	11.479	(1.197)	62	-	-	-	95.855
Leasehold improvements	135.154	32.545	(4.058)	(24)	-	-	-	163.617
Construction in progress	210	447	-	(640)	-	-	-	17
	611.422	131.697	(9.818)	-	(8.728)	(802)	2.732	726.503
Less: Accumulated depreciation								
Land improvements	(319)	(265)	-	-	-	-	-	(584)
Building	(3.854)	(4.874)	-	-	8.728	-	-	-
Machinery and equipment	(92.797)	(16.554)	547	-	-	-	-	(108.804)
Vehicles	(17.172)	(7.964)	2.374	-	-	-	-	(22.762)
Furniture and fixtures	(52.901)	(10.825)	1.080	-	-	-	-	(62.646)
Leasehold improvements	(40.167)	(13.862)	1.415	-	-	-	-	(52.614)
	(207.210)	(54.344)	5.416	-	8.728	-	-	(247.410)
Net book value	404.212							479.093

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

18. Property and equipment (continued)

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

Had the revalued assets been carried at cost less accumulated depreciation, the carrying amounts of land and buildings that would have been included in the financial statements as of December 31, 2010 and December 31, 2009 respectively are as follows:

	Land and buildings	
	December 31, 2010	December 31, 2009
Cost	**219.501**	185.395
Accumulated depreciation	**(17.653)**	(12.024)

As of December 31, 2010 and 2009, the gross carrying amount of property and equipment and intangibles, which are fully depreciated, but still in use, is as follows:

	December 31, 2010	December 31, 2009
Machinery and equipment	**59.446**	54.513
Furniture and fixtures	**42.307**	38.915
Intangible assets and leasehold improvements	**21.562**	16.561
Vehicles	**4.391**	3.932
Land improvements	**173**	173
	127.879	114.094

Pledges and mortgages on assets

As of December 31, 2010 and 2009, there is no a pledge or mortgage on property and equipment of the Group.

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

19. Intangible assets

The movements of intangible assets and related accumulated amortization for the years ended December 31, 2010 and 2009 are as follows:

	December 31, 2009	Additions	Disposals	Effect of change in foreign currencies	December 31, 2010
Cost					
Rights	**8.328**	**779**	**-**	**(3)**	**9.104**
Other intangibles	**1.262**	**102**	**(1.304)**	**(29)**	**31**
	9.590	**881**	**(1.304)**	**(32)**	**9.135**
Accumulated amortization					
Rights	**(5.434)**	**(916)**	**-**	**-**	**(6.350)**
Other intangibles	**(624)**	**(316)**	**901**	**13**	**(26)**
	(6.058)	**(1.232)**	**901**	**13**	**(6.376)**
Net book value	**3.532**				**2.759**

	December 31, 2008	Additions	Disposals	December 31, 2009
Cost				
Rights	7.386	942	-	8.328
Other intangibles	329	933	-	1.262
	7.715	1.875	-	9.590
Accumulated amortization				
Rights	(4.603)	(831)	-	(5.434)
Other intangibles	(324)	(300)	-	(624)
	(4.927)	(1.131)	-	(6.058)
Net book value	2.788			3.532

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

Major part of the rights is software licenses.

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

20. Goodwill

None (December 31, 2009 - None).

21. Government incentives and grants

Investment incentives

As of December 31, 2010 and 2009, the Group does not have any investment incentive.

22. Provisions, contingent assets and liabilities

Other provisions for accruals

As of December 31, 2010 and 2009, the Group has TL 1.282 and TL 2.873 provisions for telephone, electricity, water and other short term liabilities, respectively.

Litigation against to Group

As of December 31, 2010 and December 31, 2009, the total amount of outstanding lawsuits filed against the Group is TL 9.854 and TL 7.547 in historical terms, respectively. The Group set provisions amounting TL 6.388 and TL 4.400 for the related periods, respectively.

Current year movement of provision for lawsuits is as follows;

	December 31, 2010	December 31, 2009
Beginning	**4.400**	2.618
Provision amount, net	**1.988**	1.782
Ending	**6.388**	4.400

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

22. Provisions, contingent assets and liabilities (continued)

Letter of guarantees, mortgages and pledges given by the Group

As of December 31, 2010 and 2009, breakdown of the guarantees, mortgage and pledges given by the Group is as follows:

	December 31, 2010			
	Total TL equivalent	**TL**	**USD**	**Euro**
A. Total amount of guarantees, pledges and mortgages given in the name of legal entity	**12.655**	**12.269**	**250.000**	**-**
Guarantee	*12.655*	*12.269*	*250.000*	-
Pledge	-	-	-	-
Mortgage	-	-	-	-
B. Total amount of guarantees, pledges and mortgages given in favor of the parties which are included in the scope of full consolidation	**1.970**	**-**	**-**	**961.254**
Guarantee	*1.970*	-	-	*961.254*
Pledge	-	-	-	-
Mortgage	-	-	-	-
C. Total amount of guarantees, pledges and mortgages given to third parties for their liabilities in the purpose of conducting the ordinary operations	**-**	**-**	**-**	**-**
D. Total amount of other guarantees, pledges and mortgages	**-**	**-**	**-**	**-**
i. Total amount of guarantees, pledges and mortgages given in favor of parent company	**-**	**-**	**-**	**-**
ii. Total amount of guarantees, pledges and mortgages given in favor of other group companies which are not covered in B and C above	**-**	**-**	**-**	**-**
iii. Total amount of guarantees, pledges and mortgages given in favor of 3rd parties which are not covered in C above	**-**	**-**	**-**	**-**
Total	**14.625**	**12.269**	**250.000**	**961.254**

	December 31, 2009			
	Total TL equivalent	**TL**	**USD**	**Euro**
A. Total amount of guarantees, pledges and mortgages given in the name of legal entity	1.269	893	250.000	-
Guarantee	*1.269*	*893*	*250.000*	-
Pledge	-	-	-	-
Mortgage	-	-	-	-
B. Total amount of guarantees, pledges and mortgages given in favor of the parties which are included in the scope of full consolidation	1.676	-	-	775.980
Guarantee	*1.676*	-	-	*775.980*
Pledge	-	-	-	-
Mortgage	-	-	-	-
C. Total amount of guarantees, pledges and mortgages given to third parties for their liabilities in the purpose of conducting the ordinary operations	-	-	-	-
D. Total amount of other guarantees, pledges and mortgages	-	-	-	-
i. Total amount of guarantees, pledges and mortgages given in favor of parent company	-	-	-	-
ii. Total amount of guarantees, pledges and mortgages given in favor of other group companies which are not covered in B and C above	-	-	-	-
iii. Total amount of guarantees, pledges and mortgages given in favor of 3rd parties which are not covered in C above	-	-	-	-
Total	2.945	893	250.000	775.980

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

22. Provisions, contingent assets and liabilities (continued)

Insurance coverage on assets

As of December 31, 2010 and 2009, insurance coverage on assets of the Group is TL 538.470 and TL 441.254, respectively.

23. Commitments

As of December 31, 2010 and 2009, the Group has operating lease commitments for each of the following periods:

	December 31, 2010	December 31, 2009
Later than one year and not later than five years	**41**	108
Later than five years	**22**	28

24. Employee termination benefits

Reserve for employee termination benefits

In accordance with existing social legislation, the Company is required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. In Turkey, such payments are calculated on the basis of 30 days' pay (limited to a maximum of historical TL 2.517 (full TL) and TL 2.365 (full TL) at December 31, 2010 and 2009, respectively) per year of employment at the rate of pay applicable at the date of retirement or termination. The cost of providing those benefits is accrued over the employees' service period. The Group accounts for the employee termination benefits in accordance with the provisions of IAS 19 including the application of actuarial methods and assumptions by professional actuaries. Actuarial gains and losses, as long as the cumulative unrecognized portion exceeds 10% of the present value of defined benefit obligation, are recognized in the statement of comprehensive income over the average remaining working lives of employees. Reserve for employee termination benefits are calculated as of December 31, 2010 and 2009.

Maximum limit of retirement pay is raised to TL 2.623 (full TL) from TL 2.517 (full TL) as of January 1, 2011.

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

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

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

	January 1 – December 31, 2010	January 1 – December 31, 2009
Current service cost (Note 30)	**2.651**	1.778
Financial expense of employee termination benefit	**1.132**	777
Actuarial loss	**125**	-
Total expense	**3.908**	2.555

Provision for employee termination benefits:	**January 1 – December 31, 2010**	January 1 – December 31, 2009
Defined benefit obligation	**17.831**	10.429
Unrecognized actuarial gains	**(8.308)**	(2.862)
	9.523	7.567

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

	January 1 – December 31, 2010	January 1 – December 31, 2009
Beginning balance	**10.429**	6.629
Financial expense of employee termination benefit	**1.132**	777
Current service cost	**2.651**	1.778
Benefits paid	**(1.952)**	(1.337)
Actuarial (gain)/loss	**5.571**	2.582
Balance at period end	**17.831**	10.429

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

	December 31, 2010	December 31, 2009
Discount rate	**%10**	%11
Expected rate of salary/limit increases	**%5,1**	%4,8

25. Employee pension plans

None (December 31, 2009 - None).

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

26. Other assets and liabilities

a) Other current assets

	December 31, 2010	December 31, 2009
Advances given	**18.773**	18.402
Prepaid expenses	**6.474**	5.694
VAT receivable	**3.296**	1.826
Other	**219**	438
	28.762	26.360

b) Other non-current assets

	December 31, 2010	December 31, 2009
Advances given for tangible asset purchases	**1.881**	1.724
Deposits and advances given	**2.501**	1.920
Other	**455**	1.282
	4.837	4.926

c) Other short-term liabilities

	December 31, 2010	December 31, 2009
Income tax and social security taxes payable	**7.472**	6.343
VAT payable	**5.901**	6.317
Other tax and funds payable	**8.855**	7.165
Other	**1.031**	901
	23.259	20.726

As of December 31, 2010 and 2009, the Group does not have any other long-term liability.

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

27. Shareholders' equity

a) Share capital and capital reserves

As of December 31, 2010 and 2009, the breakdown of shareholders and their ownership percentages in the Company (all in historical terms) are summarized as follows:

	December 31, 2010		December 31, 2009	
	Historical amount	**%**	Historical amount	%
Mustafa Latif Topbaş	**27.266**	**18,0**	14.133	18,6
Abdulrahman A. El Khereiji	**20.623**	**13,6**	10.311	13,6
Ahmet Afif Topbaş	**12.771**	**8,4**	5.886	7,8
Zuhair Fayez	**5.990**	**3,9**	2.994	3,9
Firdevs Çizmeci	**1.800**	**1,2**	900	1,2
Ömer Hulusi Topbaş	**180**	**0,1**	90	0,1
Publicly traded	**83.170**	**54,8**	41.586	54,8
	151.800	**100**	75.900	100

The Company's share capital is fully paid and consists of 151.800.000 (December 31, 2009 – 75.900.000) shares of TL 1 nominal value.

As decided at the General Assembly meeting held on April 22, 2010, the Group has increased paid in share capital from inflation adjustment on paid-in share capital amounting to TL 6.956 and from retained earning amounting to TL 68.994 with a total of TL 75.900 and paid in share capital reached to TL 151.800.

Revaluation fund

As of December 31, 2010, Group has revaluation surplus amounting TL 15.704 (December 31, 2009 – TL 15.704) related to revaluation of land and buildings. The revaluation surplus is not available for distribution to shareholders.

Inflation adjustment on equity items

As of December 31, 2010 inflation adjustment on paid-in share capital amounting to TL 6.956 is used in free share capital increase. As of December 31, 2009 inflation adjustment on equity items amounting TL 6.956 is related with inflation adjustment on paid-in share capital as of December 31, 2004.

b) Restricted reserves allocated from profits / prior year profits

The legal reserves consist of first and second legal reserves, per the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of net statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's historical paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the historical paid-in share capital. Under TCC, the legal reserves are not available for distribution unless they exceed 50% of the historical paid-in share capital but may be used to offset losses in the event that historical general reserve is exhausted.

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

27. Shareholders' equity (continued)

The statutory accumulated profits and statutory current year profit are available for distribution, subject to the reserve requirements referred to above and Turkish Capital Market Board (CMB) requirements related to profit distribution.

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

In accordance with the Capital Market Board decision number 1/6 dated January 9, 2009, during the calculation of distributable profits by the companies obliged to prepare financial statements; the companies can determine the amount of distributable profits by taking into account the net profit on the financial statements that are prepared and announced to the public according to No:XI-29 "Communiqué on Financial Reporting Standards in Capital Markets" which includes profits from associates, joint ventures and subsidiaries that are transferred to the profit of the Company, regardless of whether these companies' general assembly approved any dividend distributions, as soon as these distributable profits can be funded by the reserves in the statutory accounts of the companies.

In accordance with the Capital Market Board decision in January 27, 2010, it is decided that there is no dividend distribution requirements for the listed companies whose shares are traded on the stock exchange.

Inflation adjustment to shareholders' equity and book value of extraordinary reserves can be used as an internal source in capital, dividend distribution in cash or net-off against prior years' loss. In case the inflation adjustment to shareholders' equity is used for dividend distribution in cash, the distribution is subject to corporate tax.

As of December 31, 2010 and 2009 legal reserves, prior year profits and net income for the period in statutory accounts of the Company are as follows:

	December 31, 2010	December 31, 2009
Legal reserves	**51.599**	34.072
Prior year profits	**5.826**	9.023
Net income for the period	**247.865**	216.098
	305.290	259.193

Net profit per the Company's statutory books is TL 247.865 and net profit per consolidated financial statements in accordance with CMB accounting standards is TL 245.640. As of the report date, the Company has not yet decided to distribute dividends related with 2010 profit.

Dividend paid

As decided at the Ordinary General Assembly meeting of 2009, the Group has distributed dividend from 2009 profit amounting to TL 132.825 on May 18, 2010.

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

28. Sales and cost of sales

a) Net sales

The Group's net sales for the years ended December 31, 2010 and 2009 are as follows:

	January 1 - December 31, 2010	January 1 - December 31, 2009
Sales	**6.597.614**	5.343.457
Sales return (-)	**(23.663)**	(20.067)
	6.573.951	5.323.390

b) Cost of sales

	January 1 - December 31, 2010	January 1 - December 31, 2009
Beginning inventory	**255.527**	229.342
Purchases	**5.546.540**	4.404.686
Ending inventory (-)	**(332.795)**	(255.527)
	5.469.272	4.378.501

29. Selling, marketing and distribution and general and administrative expenses

a) Selling, marketing and distribution expenses

	January 1 - December 31, 2010	January 1 - December 31, 2009
Personnel expenses	**301.958**	252.716
Rent expenses	**176.154**	149.613
Depreciation and amortization expenses	**58.800**	49.679
Water, electricity and communication expenses	**50.991**	45.843
Packaging expenses	**32.155**	25.352
Advertising expenses	**21.621**	17.610
Trucks fuel expense	**21.992**	15.993
Maintenance and repair expenses	**16.465**	14.639
Provision for employee termination benefit	**2.064**	1.469
Other selling and marketing expenses	**26.605**	21.078
	708.805	593.992

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

29. Selling, marketing and distribution and general and administrative expenses (continued)

b) General and administrative expenses

	January 1 - December 31, 2010	January 1 - December 31, 2009
Personnel expenses	**67.052**	59.464
Depreciation and amortization expenses	**6.037**	5.796
Money collection expenses	**4.083**	3.522
Legal and consultancy expenses	**3.321**	2.787
Motor vehicle expenses	**4.702**	3.786
Communication expenses	**941**	1.024
Office supplies expenses	**590**	496
Provision for employee termination benefits	**587**	309
Other general and administrations expenses	**17.045**	15.004
	104.358	92.188

30. Expenses as to nature

a) Depreciation and amortization expenses

	January 1 - December 31, 2010	January 1 - December 31, 2009
Selling, marketing and distribution expenses	**58.800**	49.679
General and administrative expenses	**6.037**	5.796
	64.837	55.475

b) Personnel expenses

	January 1 - December 31, 2010	January 1 - December 31, 2009
Wages and salaries	**321.849**	272.659
Provision for employee termination benefits (Note 24)	**2.651**	1.778
Social security premiums - employer contribution	**47.161**	39.521
	371.661	313.958

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

31. Other operating income and expense

a) Other operating income

	January 1 - December 31, 2010	January 1 - December 31, 2009
Gain on sale of scrap materials	**4.239**	3.198
Other income	**7.014**	6.931
	11.253	10.129

b) Other operating expense

	January 1 - December 31, 2010	January 1 - December 31, 2009
Loss on sale of property and equipment	**2.190**	2.145
Provision for impairment of property and equipment	**-**	802
Provision expenses	**2.239**	1.917
Other expense	**2.675**	1.599
	7.104	6.463

32. Financial income

	January 1 - December 31, 2010	January 1 - December 31, 2009
Financial income		
Income on profit share account - deposits	**12.479**	7.346
Foreign exchange gains	**1.514**	562
Total financial income	**13.993**	7.908

33. Financial expenses

	January 1 - December 31, 2010	January 1 - December 31, 2009
Financial expense		
Finance charge on employee termination benefit	**1.257**	777
Banking charges	**-**	494
Foreign exchange losses	**1.749**	405
Other financial expense	**651**	36
Total financial expenses	**3.657**	1.712

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

34. Asset held for sale and discontinued operations

None (December 31, 2009 - None).

35. Tax assets and liabilities

As of December 31, 2010 and 2009, provision for taxes of the Group is as follows:

	December 31, 2010	December 31, 2009
Current period tax provision	**62.628**	54.777
Prepaid taxes	**(46.912)**	(43.143)
Corporate tax payable	**15.716**	11.634

In Turkey, as of December 31, 2010 corporate tax rate is 20% (December 31, 2009- 20%). Corporate tax returns are required to be filed by the twenty-fifth day of the fourth month following the balance sheet date and taxes must be paid in one installment by the end of the fourth month. The tax legislation provides for a temporary tax of 20% to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the year.

In Morocco, as of December 31, 2010 the corporate tax rate is %30 (December 31, 2009 - %30) where the consolidated subsidiary of the Company, BIM Stores SARL operates.

Corporate tax losses can be carried forward for a maximum period of 5 years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

15% withholding applies to dividends distributed by resident corporations resident real persons except for, those who are not liable to income and corporation tax, non-resident real persons, non-resident corporations. Dividend distribution by resident corporations to resident corporations is not subject to a withholding tax. Furthermore, in the event the profit is not distributed or included in capital, no withholding tax shall be applicable.

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

35. Tax assets and liabilities (continued)

As of December 31, 2010 and 2009, temporary differences based for deferred tax and deferred tax asset/liability calculated by using applicable tax rates are as follows:

	Balance sheet		Comprehensive income statement	
	December 31, 2010	December 31, 2009	**January 1- December 31, 2010**	January 1- December 31, 2009
Deferred tax liability				
Restatement effect on non-monetary items in accordance with IAS 29	**13.989**	15.192	**(1.203)**	1.786
Deferred tax asset				
Reserve for employee termination benefit	**(1.860)**	(1.500)	**(360)**	(230)
Other adjustments	**(3.435)**	(2.731)	**(704)**	(802)
Deferred tax	**8.694**	10.961	**(2.267)**	754

Deferred tax is presented in financial statements as follows:

	December 31, 2010	December31, 2009
Deferred tax asset	**349**	-
Deferred tax liability	**(9.043)**	(10.961)
Net tax liability	**(8.694)**	(10.961)

Movement of net deferred tax liability for the years ended December 31, 2010 and 2009 is presented as follows:

	January 1- December 31, 2010	January 1- December 31, 2009
Opening balance	**10.961**	10.207
Deferred tax expense/(income) recognized in statement of comprehensive income	**(2.267)**	852
Deferred tax credit recognized in revaluation surplus	**-**	(98)
Balance at the end of period	**8.694**	10.961

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

35. Tax assets and liabilities (continued)

Tax reconciliation

	January 1- December 31, 2010	January 1- December 31, 2009
Net income before tax	**306.001**	268.571
Corporation tax at effective tax rate of 20%	**(61.200)**	(53.714)
Disallowable expenses	**(598)**	(650)
Effect of non-tax deductible and tax exempt items	**68**	52
Tax rate effect of the consolidated subsidiary	**(116)**	-
Other	**1.485**	(1.317)
Provision for taxes	**(60.361)**	(55.629)
- Current	**(62.628)**	(54.777)
- Deferred	**2.267**	(852)

36. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the period by the weighted average number of ordinary shares outstanding during the period. All shares of the Company are in same status.

The movements of number of shares as of December 31, 2010 and June 30, 2009 are as follows;

Number of shares	**December 31, 2010**	December 31, 2009
Beginning of the period	**75.900.000**	75.900.000
Number of free shares issued by using internal sources	**75.900.000**	-
Period end	**151.800.000**	75.900.000

As decided at the General Assembly meeting held on April 22, 2010, the Group has finalized the distribution of dividend amounting to gross TL 132.825 (1,75 (full TL) per share) and distribution of free share capital amounting to TL 75.900 at nominal value as of report period.

Ordinary shares outstanding increases as a result of bonus issue registered on April 22, 2010 adjusted retrospectively to the December 31, 2009 number of ordinary shares.

Earnings per share	**January 1- December 31, 2010**	January 1- December 31, 2009
Average number of stocks during the year	**151.800.000**	151.800.000
Net profit of the year	**245.640**	212.942
Profit per share (full TL)	**1,618**	1,403

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

37. Related party disclosures

a) Due to related parties

Due to related parties balances as of December 31, 2010 and 2009 are as follows:

Payables related to goods and services received

	December 31, 2010	December 31, 2009
Ak Gıda A.Ş. (Ak Gıda) (1)	**58.121**	50.939
Başak Gıda Dağıtım ve Pazarlama A.Ş. (Başak) (1)	**19.060**	14.089
Hedef Tüketim Ürünleri San ve Dış Tic. A.Ş.(Hedef) (1)	**7.915**	6.283
Turkuvaz Plastik ve Tem. Ürün. Tic .A.Ş (Turkuvaz) (1)(**)	**4.034**	3.462
Marsan Gıda San. ve Tic. A.Ş. (Marsan) (1)	**3.552**	2.281
Esas Paz. ve Tic .A.Ş (Esas) (1)(**)	**3.352**	2.451
Natura Gıda Sanayi ve Ticaret A.Ş. (Natura) (1)	**674**	998
Seher Gıda Paz. San. ve Tic. A.Ş. (Seher) (1)	**390**	353
Bahar Su Sanayi ve Tic .A.Ş (Bahar Su) (1)	**267**	-
Teközel Gıda Tem.Sağ.Mar.Ltd. Şti (Teközel) (1) (*)	**-**	29.874
Bahariye Tekstil San. Tic. A.Ş.(1)	**-**	9
	97.365	110.739

(1) Companies owned by shareholders of the Company

(*) Delisted from related parties as of April 1, 2010

(**) For the purpose of consistent presentation of the financial statements as of December 31, 2009 compared to financial statements as of December 31, 2010, "Other trade payables" amounting to TL 5.913 has been classified to "Due to related parties".

b) Related party transactions

For the years ended December 31, 2010 and 2009, summary of the major transactions with related parties are as follows:

(i) Purchases from related parties during the periods ended December 31, 2010 and 2009 are as follows:

	January 1 - December 31, 2010	January 1 - December 31, 2009
Ak Gıda (1)	**465.403**	395.454
Başak (1)	**175.766**	138.624
Teközel (1) (*)	**50.706**	165.713
Esas (1)	**41.735**	32.242
Natura (1)	**40.102**	25.351
Hedef (1)	**40.009**	23.375
Turkuvaz (1)	**25.087**	10.614
Marsan (1)	**17.663**	12.979
Seher (1)	**1.893**	1.297
Bahar Su (1)	**1.121**	-
Bahariye (1)	**991**	2.178
	860.476	807.827

(1) Companies owned by shareholders of the Company

(*) Delisted from related parties starting from April 1, 2010, represents the purchase amount made between January 1, 2010 and April 1, 2010.

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

37. Related party disclosures (continued)

(ii) For the years ended December 31, 2010 and 2009 salaries, bonuses and compensations provided to board of directors and key management comprising of 77 and 68 personnel, respectively, are as follows:

	January 1 - December 31, 2010	January 1 - December 31, 2009
Short-term benefits	**16.259**	15.950
Long-term defined benefits	**763**	449
Total benefits	**17.022**	16.399

iii) For the years ended December 31, 2010 and 2009 the Company received service from the related party, Proline Bilişim Sistemleri ve Ticaret A.Ş. amounting TL 826 and TL 432, respectively.

38. Nature and level of risks arising from financial instruments

The Group is exposed to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and profit share rates. These risks are market risk (including foreign currency risk and profit share rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

The Group's principal financial instruments comprise cash and short-term bank loans. The main purpose of using these financial instruments is to raise finance for the Group's operations. The Group has other financial instruments such as trade receivables and payables which arise directly from its operations. The Group manages its capital through cash provided by its operations and review of the maturities of the trade payables.

Price risk

Price risk is a combination of foreign currency, profit share and market risk. The Group naturally manages its price risk by matching the same foreign currency denominated receivable and payables and assets and liabilities bearing profit share. The Group closely monitors its market risk by analyzing the market conditions and using appropriate valuation methods.

Profit share rate risk

The Group does not have material profit share rate sensitive asset. The Group's income and cash flows from operations are independent from profit share rate risk.

The Group's profit share rate risk mainly comprises of outstanding short-term borrowings in the prior period. The Group's forthcoming loans in order to continue its operating activities are effected from forthcoming profit share ratios.

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

38. Nature and level of risks arising from financial instruments (continued)

Profit share rate position table

According to IFRS 7 “Financial Assets”, the profit share rate position of the Group is as follows:

Profit share position table		**Current period**	Prior period
	Fixed-profit share bearing financial instruments		
Financial assets	Financial assets at fair value through profit/loss	**185.741**	111.692
	Available for sale financial assets	**-**	-
Financial liabilities		**-**	-
	Variable profit share bearing financial instruments		
Financial assets		**-**	-
Financial liabilities		**-**	-

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Since the Group is engaged in the retail sector and transactions are mainly on a cash basis or has 1 month maturity credit card collections, the exposure to credit and price risk is minimal.

Credit risk table (Current period)

	Credit card receivable		**Bank deposits**	
	Related party	**Other party**	**Related party**	**Other Party**
Maximum credit risk exposures as of report date	-	191.481	-	207.672
Maximum risk secured by guarantees	-	-	-	-
A. Net book value of financial assets neither overdue nor impaired	-	191.481	-	207.672

Credit risk table (Prior period)

	Credit card receivable		**Bank deposits**	
	Related party	**Other party**	**Related party**	**Other party**
Maximum credit risk exposures as of report date	-	160.905	-	129.164
Maximum risk secured by guarantees	-	-	-	-
A. Net book value of financial assets neither overdue nor impaired	-	160.905	-	129.164

Since the Company does not have material assets and liabilities denominated in foreign currency, the Company does not use derivative instruments or forward contracts for hedging foreign currency risks.

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

38. Nature and level of risks arising from financial instruments (continued)

Foreign currency position

As of December 31, 2010 and 2009, the Group's foreign currency position is as follows:

		December 31, 2010			December 31,2009		
		TL equivalent (functional currency)	**USD**	**EUR**	TL equivalent (functional currency)	USD	EUR
1.	Trade receivables	-	-	-	-	-	-
2a.	Monetary financial assets (including cash, bank accounts)	59	8.501	22.167	9	1.171	3.204
2b.	Non-monetary financial assets	-	-	-	-	-	-
3.	Other	39	23.600	1.278	12	6.100	1.278
4.	**Current assets (1+2+3)**	98	**32.101**	**23.445**	**21**	**7.271**	**4.482**
5.	Trade receivables	-	-	-	-	-	-
6a.	Monetary financial assets	-	-	-	-	-	-
6b.	Non-monetary financial assets	-	-	-	-	-	-
7.	Other	-	-	-	-	-	-
8.	**Non-current assets (5+6+7)**	-	-	-	-	-	-
9.	**Total assets(4+8)**	**98**	**32.101**	**23.445**	**21**	**7.271**	**4.482**
10.	Trade payables	-	-	-	-	-	
11.	Financial liabilities	-	-	-	-	-	-
12a.	Monetary other liabilities	92	59.242	-	213	141.532	-
12b.	Non-monetary other liabilities	-	-	-	-	-	-
13.	**Current liabilities (10+11+12)**	92	**59.242**	-	**213**	**141.532**	-
14.	Trade payables	-	-	-	-	-	-
15.	Financial liabilities	-	-	-	-	-	-
16a.	Monetary other liabilities	-	-	-	-	-	-
16b.	Non-monetary other liabilities	-	-	-	-	-	-
17.	**Non-current liabilities (14+15+16)**	-	-	-	-	-	-
18.	**Total liabilities (13+17)**	**92**	**59.242**	-	**213**	**141.532**	**4.482**
19.	Net asset/(liability) position of off-balance sheet derivative instruments(19a-19b)	-	-	-	-	-	-
19a.	Hedged total assets amount	-	-	-	-	-	-
19b.	Hedged total liabilities amount	-	-	-	-	-	-
20.	**Net foreign currency asset/(liability) position (9+18+19)**	7	**(27.141)**	**23.445**	**(192)**	**(134.261)**	**4.482**
21.	**Net foreign currency asset/(liability) position of monetary items (=1+2a+5+6a-10-11-12a-14-15-16a)**	**7**	**(27.141)**	**23.445**	**(192)**	**(134.261)**	**4.482**
22.	Total fair value of financial instruments used for foreign currency hedging	-	-	-	-	-	-
23.	Export	-	-	-	-	-	-
24.	Import	-	-	-	-	-	-

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

38. Nature and level of risks arising from financial instruments (continued)

Exchange rate risk

The following table demonstrates the sensitivity to a possible change of 10% in the U.S Dollar and Euro exchange rates, with all other variables held constant, of the Group's profit before tax as of December 31, 2010 and 2009:

	December 31, 2010	**Exchange rate sensitivity analysis**	
			Current Year
		Profit/loss	**Profit/loss**
		Increase in exchange rate	**Decrease in exchange rate**
	Increase of 10% in value of U.S Dollar against TL :		
1-	U.S Dollar net asset/(liability)	**(4)**	**4**
2-	Protected part from U.S Dollar risk (-)	**-**	**-**
3-	**U.S Dollar net effect (1+2)**	**(4)**	**4**
	Increase of 10% in value of Euro against TL:		
4-	Euro net asset/(liability)	**5**	**(5)**
5-	Protected part from Euro risk (-)	**-**	**-**
6-	**Euro net effect (4+5)**	**5**	**(5)**
	Total (3+6)	**1**	**(1)**

	December 31, 2009	**Exchange rate sensitivity analysis**	
			Current Year
		Profit/loss	**Profit/loss**
		Increase in exchange rate	**Decrease in exchange rate**
	Increase of 10% in value of U.S Dollar against TL :		
1-	U.S Dollar net asset/(liability)	**(20)**	**20**
2-	Protected part from U.S Dollar risk (-)	**-**	**-**
3-	**U.S Dollar net effect (1+2)**	**(20)**	**20**
	Increase of 10% in value of Euro against TL:		
4-	Euro net asset/(liability)	**1**	**(1)**
5-	Protected part from Euro risk (-)	**-**	**-**
6-	**Euro net effect (4+5)**	**1**	**(1)**
	Total (3+6)	**(19)**	**19**

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

38. Nature and level of risks arising from financial instruments (continued)

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

The ability to fund existing and prospective debt requirements is managed by maintaining the availability of adequate committed funding lines from high quality lenders.

As of December 31, 2010 and 2009, maturities of undiscounted trade payables and financial liabilities are as follows:

December 31, 2010

Contractual maturities	**Book value**	**Total cash outflow**	**Less than 3 months**	**Between 3-12 months**	**Between 1-5 year**	**More than 5 years**
Non derivative financial liabilities						
Bank borrowings	**7.662**	**7.662**	**7.662**	**-**	**-**	**-**
Trade payables	**701.398**	**706.032**	**706.032**	**-**	**-**	**-**
Due to related parties	**97.365**	**98.015**	**98.015**	**-**	**-**	**-**

December 31, 2009

Contractual maturities	Book value	Total cash outflow	Less than 3 months	Between 3-12 months	Between 1-5 year	More than 5 year
Bank borrowings	-	-	-	-	-	-
Trade payables	542.706	546.350	546.350	-	-	-
Due to related parties	110.739	111.438	111.438	-	-	-

39. Financial instruments (fair value disclosures and disclosures in the frame of hedge accounting)

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

The Group considers that carrying amounts reflect fair values of the financial instruments.

39. Financial instruments (fair value disclosures and disclosures in the frame of hedge accounting) (continued)

Financial assets

The fair values of certain financial assets carried at cost including cash and cash equivalents profit share accruals and other short term financial assets are considered to approximate their respective carrying values due to their short-term nature. The carrying value of trade receivables along with the related allowance for unearned income and uncollectibility are estimated to be their fair values.

Financial liabilities

Financial liabilities of which fair values approximate their carrying values:

Fair values of trade payables and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. The bank borrowings are stated at their amortized costs and transaction costs are included in the initial measurement of loans and bank borrowings. The fair value of bank borrowings with variable rates are considered to approximate their respective carrying values since the profit share rate applied to bank loans and borrowings are updated periodically by the lender to reflect active market price quotations. The carrying value of trade payables along with the related allowance for unrealized cost is estimated to be their fair values.

40. Subsequent events

None.

41. Other matters that significantly affect financial statements or are necessary for openness, interpretability and clearness of the financial statements

There is no other matters having significant impact on or requiring explanation in order to provide the clarity, interpretability and perceptibility of the financial statements as of December 31, 2010 and 2009.