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

BİM Birleşik Mağazalar Anonim Şirketi

Consolidated financial statements at June 30, 2012

BİM Birleşik Mağazalar Anonim Şirketi and its Subsidiary

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To the Shareholders of
BİM Birleşik Mağazalar Anonim Şirketi

Introduction

We have reviewed the accompanying interim consolidated balance sheet of BİM Birleşik Mağazalar Anonim Şirketi (the Company) and its subsidiary (together will be referred to as “the Group”) as of June 30, 2012 and the interim consolidated comprehensive income statement, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the six month period then ended and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with financial reporting standards published by the Capital Markets Board of Turkey. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

Scope of review

Our review was conducted in accordance with auditing standards published by the CMB of Turkey. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards published by the Capital Market Board of Turkey and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion as a result of our review.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim consolidated financial statements are not prepared, in all material respects, in accordance with financial reporting standards issued by Capital Markets Board of Turkey.

Additional paragraph for convenience translation to English :

As of June 30, 2012, the accounting principles described in Note 2 (defined as financial reporting standards published by the CMB to the accompanying interim consolidated 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 presentation of the basic financial statements and the notes to them. Accordingly, the accompanying interim consolidated 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

Ethem Kutucular, SMMM
Engagement Partner

August 15, 2012
Istanbul, Turkey

BİM Birleşik Mağazalar Anonim Şirketi and its Subsidiary

Consolidated balance sheet
as at June 30, 2012
(Currency – Thousands of Turkish Lira)

Assets

	Notes	Current period June 30, 2012 Audited	Prior period December 31, 2011 Audited
Current assets		**1.006.899**	1.074.495
Cash and cash equivalents	6	**163.477**	364.565
Financial investments	7	**9.681**	-
Trade receivables	10	**276.108**	270.985
Inventories	13	**512.713**	404.643
Other current assets	26	**44.920**	34.302
Non-current assets		**762.319**	658.219
Financial investments	7	**12.590**	-
Property and equipment	18	**735.611**	648.075
Intangible assets	19	**2.744**	2.803
Deferred tax asset	35	**500**	481
Other non-current assets	26	**10.874**	6.860
Total assets		**1.769.218**	1.732.714

Consolidated balance sheet
as at June 30, 2012
(Currency – Thousands of Turkish Lira)

Liabilities and equity

	Notes	Current period June 30, 2012 Audited	Prior period December 31, 2011 Audited
Current liabilities		**1.161.572**	1.092.881
Trade payables			
- Due to related parties	37	**121.812**	129.739
- Other trade payables	10	**968.273**	890.253
Other current liabilities	26	**45.504**	45.602
Income tax payable	35	**15.596**	18.074
Provisions	22	**10.387**	9.213
Non-current liabilities		**26.355**	23.681
Reserve for employee termination benefits	24	**15.149**	13.037
Deferred tax liability	35	**11.206**	10.644
Equity		**581.291**	616.152
Equity attributable to parent		**581.291**	616.152
Paid-in share capital	27	**151.800**	151.800
Financial assets fair value reserve	7, 27	**1.684**	-
Property and equipment revaluation reserve	18, 27	**15.704**	15.704
Currency translation difference		**511**	(412)
Restricted reserves allocated from profits	27	**103.211**	81.449
Prior year profits	27	**148.509**	68.701
Net income for the period		**159.872**	298.910
Total liabilities and equity		**1.769.218**	1.732.714

The accompanying policies and explanatory notes on pages 6 through 46 form an integral part of the consolidated financial statements.

BİM Birleşik Mağazalar Anonim Şirketi and its Subsidiary

Consolidated statement of comprehensive income for the period ended June 30, 2012
(Currency – Thousands of Turkish Lira)

	Notes	Current period Reviewed January 1 - June 30, 2012	Current period April 1 - June 30, 2012	Prior period Reviewed January 1 - June 30, 2011	Prior period April 1 - June 30, 2011
Continuing operations					
Net sales	28	**4.780.849**	**2.352.881**	3.813.807	1.935.859
Cost of sales (-)	28	**(4.032.574)**	**(1.983.310)**	(3.194.173)	(1.629.937)
Gross profit		**748.275**	**369.571**	619.634	305.922
Selling, marketing and distribution expenses (-)	29	**(488.075)**	**(253.386)**	(397.401)	(205.410)
General and administrative expenses (-)	29	**(72.276)**	**(37.191)**	(58.106)	(29.932)
Other operating income	31	**10.977**	**6.767**	5.937	3.202
Other operating expenses (-)	31	**(841)**	**(488)**	(1.949)	(797)
Operating profit		**198.060**	**85.273**	168.115	72.985
Financial income	32	**9.066**	**3.974**	12.842	6.578
Financial expense (-)	33	**(5.134)**	**(2.331)**	(1.813)	(1.076)
Net income before taxes from continuing operations		**201.992**	**86.916**	179.144	78.487
Tax income/(expense) for continuing operations					
- Tax expense for the period	35	**(42.035)**	**(18.053)**	(37.549)	(16.467)
- Deferred tax (expense) / income	35	**(85)**	**275**	397	141
Net income		**159.872**	**69.138**	141.992	62.161
Other comprehensive income:					
Change in financial investment revaluation reserve	7,27	**1.684**	**(687)**	-	-
Currency translation difference		**923**	**101**	(711)	(209)
Other comprehensive income		**2.607**	**(586)**	(711)	(209)
Total comprehensive income		**162.479**	**68.552**	141.281	61.952
Profit for the period attributable to					
Minority interest		**-**	**-**	-	-
Share of the parent		**159.872**	**69.138**	141.992	62.161
Total comprehensive income attributable to					
Minority interest		**-**	**-**	-	-
Share of the parent		**162.479**	**68.552**	141.281	61.952
Weighted average number of shares (each equals to TL 1)		**151.800.000**	**151.800.000**	151.800.000	151.800.000
Earnings per share (full TL)	36	**1,053**	**0,455**	0,935	0,409

The accompanying policies and explanatory notes on pages 6 through 46 form an integral part of the consolidated financial statements.

Consolidated statement of changes in equity
for the period ended June 30, 2012
(Currency – Thousands of Turkish Lira)

	Paid-in share capital	Financial assets fair value reserve	Property and equipment revaluation reserve	Currency translation difference	Restricted reserves allocated from profits	Prior year profits	Net income for the period	Total equity
December 31, 2010	151.800	-	15.704	618	51.599	35.071	245.640	500.432
Transfer to prior year profits	-	-	-	-	-	245.640	(245.640)	-
Transfer to restricted reserves allocated from profits	-	-	-	-	29.850	(29.850)	-	-
Dividends paid	-	-	-	-		(182.160)	-	(182.160)
Net income for the period	-	-	-	-	-	-	141.992	141.992
Other comprehensive income	-	-	-	(711)	-	-	-	(711)
Total comprehensive income	-	-	-	(711)	-	-	141.992	141.281
June 30, 2011	151.800	-	15.704	(93)	81.449	68.701	141.992	459.553
December 31, 2011	**151.800**	**-**	**15.704**	**(412)**	**81.449**	**68.701**	**298.910**	**616.152**
Transfer to prior year profits	**-**	**-**	**-**	**-**	**-**	**298.910**	**(298.910)**	**-**
Transfer to restricted reserves allocated from profits					**21.762**	**(21.762)**	**-**	**-**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**(197.340)**	**-**	**(197.340)**
Net income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**159.872**	**159.872**
Other comprehensive income	**-**	**1.684**	**-**	**923**	**-**	**-**	**-**	**2.607**
Total comprehensive income	**-**	**1.684**	**-**	**923**	**-**	**-**	**159.872**	**162.479**
June 30, 2012	**151.800**	**1.684**	**15.704**	**511**	**103.211**	**148.509**	**159.872**	**581.291**

The accompanying policies and explanatory notes on pages 6 through 46 form an integral part of the consolidated financial statements.

BİM Birleşik Mağazalar Anonim Şirketi and its Subsidiary

Statement of consolidated cash flows for the period ended June 30, 2012
(Currency – Thousands of Turkish Lira)

	Notes	Current period January 1, 2012 - June 30, 2012 Audited	Prior period January 1, 2011 - June 30, 2011 Audited
Cash flows from operating activities			
Profit before tax		**201.992**	179.144
Adjustments to reconcile profit before tax to net cash provided by operating activities:			
Depreciation and amortization	18, 19	**44.872**	37.007
Profit share income from deposit accounts	32	**(8.982)**	(8.671)
Allowance for doubtful receivable, net	10	**(36)**	13
Financial expense of employee termination benefit	24	**1.475**	1.101
Provision for employee termination benefit	24	**2.253**	1.878
(Gain)/Loss on sale of property and equipment and intangibles	31	**(552)**	27
Accrued liabilities, net		**1.177**	1.713
Dividend income		**(2.660)**	-
Provision / (reversal) for impairment of inventories	13	**(897)**	1.036
Operating income before working capital changes		**238.642**	213.248
Net working capital changes in:			
Trade receivables		**(5.087)**	(28.714)
Inventories		**(107.173)**	(57.188)
Other current assets		**(10.618)**	(14.936)
Other non-current assets	26	**71**	78
Other trade payables		**78.020**	111.887
Due to related parties		**(7.927)**	3.547
Other current liabilities		**(98)**	1.646
Income taxes paid		**(44.513)**	(38.824)
Employee termination benefit paid	24	**(1.616)**	(1.128)
Net cash generated by operating activities		**139.701**	189.616
Cash flows from investing activities:			
Purchase of property and equipment	18	**(136.931)**	(89.706)
Purchase of intangibles	19	**(523)**	(672)
Advances given for purchase of property and equipment		**(4.085)**	(5.558)
Proceeds from sale of property and equipment and intangibles		**4.147**	2.726
Profit share received from deposit accounts		**12.733**	8.400
Change in Available for sale assets		**(20.166)**	-
Dividend received		**2.660**	-
Net cash used in investing activities		**(142.165)**	(84.810)
Cash flows from financing activities:			
Dividends paid	27	**(197.340)**	(182.160)
Repayment of bank borrowings	8	**-**	30.238
Net cash used in financing activities		**(197.340)**	(151.922)
Currency translation differences		**2.467**	(1.862)
Increase in cash and cash equivalents		**(197.337)**	(48.978)
Cash and cash equivalents at the beginning of the year		**360.592**	257.019
Cash and cash equivalents at the end of the year	6	**163.255**	208.041

The accompanying policies and explanatory notes on pages 7 through 47 form an integral part of the consolidated 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: 73 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 June 30, 2012.

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 August 15, 2012 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.

As of June 30, 2012 and June 30, 2011, the average number of workers in accordance with their categories is shown below:

	January 1- June 30, 2012	January 1- June 30, 2011
Office personnel	**1.373**	1.238
Warehouse personnel	**2.228**	2.009
Store personnel	**16.813**	14.895
Total	**20.414**	18.142

2. Basis of preparation of financial statements

Basis of preparation

The Group 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.

2. Basis of preparation of financial statements (continued)

The financial statements of the Group 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. 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 conversion, except for land and building and assets that are quoted in active markets are measured based on current bid prices which are carried at fair value.

Changes in accounting policies

The accounting policies adopted in preparation of the interim consolidated financial statements as at June 30, 2012 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of January 1, 2012. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

The new standards, amendments and interpretations which are effective as at January 1, 2012 are as follows:

IAS 12 Income Taxes: Recovery of Underlying Assets (Amendment)

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. These amendments will be applied retrospectively. This standard has not yet been endorsed by the EU. Adoption of this amendment did not have any impact on the financial position or performance of the Group.

IFRS 7 Financial Instruments: Disclosures - Enhanced Derecognition Disclosure Requirements (Amended)

The purpose of this amendment is to allow users of financial statements to improve their understanding of transfer transactions of financial assets (e.g. securitizations), 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. Comparative disclosures are not required. The amendment affects disclosures only and did not have any impact on the financial position or performance of the Group.

2. Basis of preparation financial statements (continued)

Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the interim consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, after the new standards and interpretations become in effect.

IAS 1 Presentation of Financial Statements (Amended) – Presentation of Items of Other Comprehensive Income

The amendments are effective for annual periods beginning on or after July 1, 2012, but earlier application is permitted. The amendments to IAS 1 change only the grouping of items presented in other comprehensive income. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time would be presented separately from items which will never be reclassified. The amendments will be applied retrospectively. The amendment affects presentation only and will have no impact on the financial position or performance of the Group.

IAS 19 Employee Benefits (Amended)

Amended standard is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. With very few exceptions retrospective application is required. Numerous changes or clarifications are made under the amended standard. Among these numerous amendments, the most important changes are removing the corridor mechanism and making the distinction between short-term and other long-term employee benefits based on expected timing of settlement rather than employee entitlement. The Group is in the process of assessing the impact of the amended standard on the financial position or performance of the Group.

IAS 27 Separate Financial Statements (Amended)

As a consequential amendment to IFRS 10 and IFRS 12, the IASB also amended IAS 27, which is now limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. Transitional requirement of this amendment is similar to IFRS 10. This standard has not yet been endorsed by the EU. This amendment will not have any impact on the financial position or performance of the Group.

IAS 28 Investments in Associates and Joint Ventures (Amended)

As a consequential amendment to IFRS 11 and IFRS 12, the IASB also amended IAS 28, which has been renamed IAS 28 Investments in Associates and Joint Ventures, to describe the application of the equity method to investments in joint ventures in addition to associates. Transitional requirement of this amendment is similar to IFRS 11. This standard has not yet been endorsed by the EU. The Group does not expect that this amendment will have any impact on the financial position or performance of the Group.

2. Basis of preparation financial statements (continued)

IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial liabilities (Amended)

The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. This standard has not yet been endorsed by the EU. These amendments are to be retrospectively applied for annual periods beginning on or after January 1, 2014. The Group does not expect that these amendments will have significant impact on the financial position or performance of the Group.

IFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities (Amended)

New disclosures would provide users of financial statements with information that is useful in (a) evaluating the effect or potential effect of netting arrangements on an entity's financial position and (b) analysing and comparing financial statements prepared in accordance with IFRSs and other generally accepted accounting standards. This standard has not yet been endorsed by the EU. The amendments are to be retrospectively applied for annual periods beginning on or after January 1, 2013 and interim periods within those annual periods. The amendment affects disclosures only and will have no impact on the financial position or performance of the Group.

IFRS 9 Financial Instruments – Classification and measurement

As amended in December 2011, the new standard is effective for annual periods beginning on or after January 1, 2015. Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial instruments. The amendments made to IFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option (FVO) liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. Early adoption is permitted. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on the financial position or performance of the Group.

IFRS 10 Consolidated Financial Statements

The standard is effective for annual periods beginning on or after January 1 2013 and is applied on a modified retrospective basis. This new Standard may be adopted early, but IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities should be also adopted early.

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. A new definition of control is introduced, which is used to determine which entities are consolidated. This is a principle based standard and require preparers of financial statements to exercise significant judgment. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on the financial position or performance of the Group.

2. Basis of preparation financial statements (continued)

IFRS 11 Joint Arrangements

The standard is effective for annual periods beginning on or after January 1, 2013 and is applied on a modified retrospective basis. This new Standard may be adopted early, but IFRS 10 Consolidated Financial Statements and IFRS 12 Disclosure of Interests in Other Entities should be also adopted early.

The standard describes the accounting for joint ventures and joint operations with joint control. Among other changes introduced, under the new standard, proportionate consolidation is not permitted for joint ventures. This standard has not yet been endorsed by the EU. The Group does not expect that this standard will have a significant impact on the financial position or performance of the Group.

IFRS 12 Disclosure of Interests in Other Entities

The standard is effective for annual periods beginning on or after January 1, 2013 and is applied on a modified retrospective basis. This new Standard may be adopted early, but IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements should be also adopted early.

IFRS 12 includes all of the disclosures that were previously in IAS 27 Consolidated and Separate Financial Statements related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 Interests in Joint Ventures and IAS 28 Investment in Associates. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. This standard has not yet been endorsed by the EU. Under the new standard the Group will provide more comprehensive disclosures for interests in other entities.

IFRS 13 Fair Value Measurement

The new Standard provides guidance on how to measure fair value under IFRS but does not change when an entity is required to use fair value. It is a single source of guidance under IFRS for all fair value measurements. The new standard also brings new disclosure requirements for fair value measurements. IFRS 13 is effective for annual periods beginning on or after January 1, 2013 and will be adopted prospectively. Early application is permitted. The new disclosures are only required for periods beginning after IFRS 13 is adopted — that is, comparative disclosures for prior periods are not required. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on the financial position or performance of the Group.

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

The Interpretation is effective for annual periods beginning on or after January 1, 2013 with earlier application permitted. Entities will be required to apply its requirements for production phase stripping costs incurred from the start of the earliest comparative period presented. The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. This standard has not yet been endorsed by the EU. The interpretation is not applicable for the Group and will not have any impact on the financial position or performance of the Group.

2. Basis of preparation financial statements (continued)

Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)

The guidance is effective for annual periods beginning on or after January 1, 2013. The amendments change the transition guidance to provide further relief from full retrospective application. The date of initial application is defined as 'the beginning of the annual reporting period in which IFRS 10 is applied for the first time'. The assessment of whether control exists is made at 'the date of initial application' rather than at the beginning of the comparative period. If the control assessment is different between IFRS 10 and IAS 27/SIC-12, retrospective adjustments should be determined. However, if the control assessment is the same, no retrospective application is required. If more than one comparative period is presented, additional relief is given to require only one period to be restated. For the same reasons IASB has also amended IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities to provide transition relief. This guidance has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the guidance on the financial position or performance of the Group.

Improvements to IFRSs

The IASB has issued the Annual Improvements to IFRSs – 2009 – 2011 Cycle, which contains amendments to its standards. The annual improvements project provides a mechanism for making necessary, but non-urgent, amendments to IFRS. The effective date for the amendments is for annual periods beginning on or after January 1, 2013. Earlier application is permitted in all cases, provided that fact is disclosed. This project has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the project on the financial position or performance of the Group.

IAS 1 Financial Statement Presentation:
Clarifies the difference between voluntary additional comparative information and the minimum required comparative information.

IAS 16 Property, Plant and Equipment:
Clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.

IAS 32 Financial Instruments: Presentation:
Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes. The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders.

IAS 34 Interim Financial Reporting:
Clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment. Total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual financial statements for that reportable segment.

2. Basis of preparation financial statements (continued)

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 TL exchange rate for purchases of MAD at the balance sheet date, TL 1,00 (full) = MAD 4,92 amounts in the statement of comprehensive income have been translated into TL, at the average TL exchange rate for purchases of MAD, is TL 1,00 (full) = MAD 4,79. Differences that occur by the usage of closing and average exchange rates are followed under currency translation differences classified under equity.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent company and its subsidiary prepared for the six month period ending June 30, 2012. 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.

2. Basis of preparation financial statements (continued)

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.

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, 2011 – 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.

2. Basis of preparation financial statements (continued)

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

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.

2. Basis of preparation 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, held-to-maturity investments, available-for-sale financial assets and loans and receivables. 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.

Financial assets at fair value through profit or loss

Either acquired for generating a profit from short-term price fluctuations or dealers' margin, or included in a portfolio in which a pattern of short-term profit making exists. Financial assets at fair value through profit or loss are initially recognized and subsequently measured at fair value. All related gains and losses are accounted in the income statement. The Group does not have any financial assets at fair value through profit or loss as of balance sheet date.

Held-to-maturity financial assets

Assets that are non-derivative financial assets with fixed maturities, where management has both the intent and the ability to hold to the maturity excluding the financial assets classified as loans and advances to customers. Held-to-maturity financial assets are carried at amortised cost using the effective yield method. The Group does not have any held-to-maturity financial assets as of balance sheet date.

Available-for-sale financial assets

Non-derivatives that are not designated in financial assets at fair value through profit or loss, held-to-maturity financial assets or loans and receivables. These are included in non-current assets unless management has the intention of holding these investments for less than 12 months from the balance sheet date, or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

2. Basis of preparation financial statements (continued)

Available-for-sale financial assets are subsequently measured at fair value. While available-for-sale financial assets that are quoted in active markets are measured based on current bid prices, other available-for-sale equity securities that do not have quoted fair values or for which fair values cannot be reliably measured through alternative methods, are measured at cost less any impairment

Unrealised gains and losses arising from changes in the fair value of securities classified as available-for-sale are accounted in equity net of tax under “financial assets fair value reserve”. When available-for-sale securities are sold, collected or otherwise disposed of, related deferred gains and losses in equity are transferred to the consolidated income statement. If the difference between the cost and the fair value of the available-for-sale securities is permanent, gains and losses are transferred to the consolidated income statement.

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 the normal sales or purchase transactions of financial assets are recorded at the transaction date that the Group guaranteed to purchase or sell the financial asset. These transactions generally require the transfer of financial asset in the period specified by the general conditions and the procedures in the market.

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.

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

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

2. Basis of preparation financial statements (continued)

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

Trade payables

Trade payables which generally have an average of 49 day term (December 31, 2011 - 46 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.

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)
June 30, 2012	**1,8065**	**2,2742**
December 31, 2011	1,8889	2,4438

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.

2. Basis of preparation financial statements (continued)

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.

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 Company if;

(a) A person or a close member of that person's family is related to a reporting entity if that person:

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

- (i) One entity and the reporting entity are member of the same group.
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.

2. Basis of preparation financial statements (continued)

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity
(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) The entity is controlled or jointly controlled by a person identified in (a).
(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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.

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

2. Basis of preparation financial statements (continued)

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.

3. Business combinations

None (December 31, 2011 - None).

4. Joint ventures

None (December 31, 2011 - None).

5. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to 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

	June 30, 2012	December 31, 2011
Cash on hand	**45.580**	52.830
Banks		
-profit share deposits	**41.399**	236.220
-demand deposits	**44.537**	44.365
Cash in transit	**31.961**	31.150
	163.477	364.565
Less: accrual for profit share	**(222)**	(3.973)
	163.255	360.592

There is no restricted cash as of June 30, 2012 and December 31, 2011. As of June 30, 2012 gross profit share of percentage from participation banks for TL amounts is 10,1% (December 31, 2011 - gross 8,5 %).

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

7. Financial investments

The details of financial investment of the Group as of June 30, 2012 and December 31, 2011 are as below:

	June 30, 2012
Available-for-sale financial assets (Current assets)	9.681
Available-for-sale financial assets (Non-current assets)	12.590
	22.271

The subsidiaries and affiliates shown in financial investments and the shareholding rates are as follows:

Available-for-sale financial assets

Name	June 30, 2012
İdeal Standart İşletmecilik ve Mümessillik San. ve Tic. A.Ş.(*)	12.590
Listed common stocks	9.681
	22.271

(*) As of January 30, 2012, the Group took over the shares of İdeal Standart İşletmecilik ve Mümessillik Sanayi ve Ticaret Anonim Şirketi ("İdeal Standart") by TL 12.590. Since İdeal Standart that is not quoted in active markets or measured based on current bid prices, measured at cost. Since the Company's financial statements are not material for the Group's consolidated financial statements or does not have a significant influence, are not included in the scope of consolidation. As of June 30, 2012, the ratio of total assets and turnover of the Company is less than 1% to the Group's consolidated total assets and turnover.

Fair value of the listed common stocks is calculated by considering the weighted average price at the balance sheet date and valuation surplus amounting to TL 1.684, considering net of deferred tax have been recognized in consolidated shareholders' equity under the financial assets fair value reserve.

The Group does not have any financial assets as of December 31, 2011.

8. Financial liabilities

None (December 31, 2011 – None).

9. Other financial liabilities

None (December 31, 2011 - None).

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

10. Trade receivables and payables

a) Trade receivables, net

	June 30, 2012	December 31, 2011
Credit card receivables	**274.736**	269.190
Trade receivables	**699**	970
Doubtful receivables	**676**	712
Other receivables	**673**	825
Less: provision for doubtful receivables	**(676)**	(712)
	276.108	270.985

As of June 30, 2012 the average term of trade receivables is 10 days (December 31, 2011 - 10 days).

Trade receivables are carried at amortized cost less an allowance for any uncollectible amounts. Estimation is made for providing allowance for doubtful receivables when there is no possibility of collection.

As of June 30, 2012 and December 31, 2011, the Group does not have any overdue trade receivables except provision for doubtful receivables.

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

	June 30, 2012	June 30, 2011
Beginning	**712**	694
Allowance for doubtful receivable	**-**	17
Current year collection	**(36)**	(4)
Ending	**676**	707

b) Trade payables, net

	June 30, 2012	December 31, 2011
Other trade payables	**968.273**	890.253
	968.273	890.253

As of June 30, 2012 the average term of trade payables is 49 days (December 31, 2011 - 46 days). As of June 30, 2012, letters of guarantee and cheque amounting to TL 24.714 and mortgages amounting to TL 13.511 were received from supplier firms (December 31, 2011 – TL 13.703 letters of guarantee and cheque, TL 13.656 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 June 30, 2012 and December 31 2011, the Group does not have any other short-term and long-term receivables.

b) **Other payables-** As of June 30, 2012 and December 31 2011, 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, 2011 – None).

13. Inventories

	June 30, 2012	December 31, 2011
Trade goods	**494.147**	400.755
Other inventory	**18.566**	3.888
	512.713	404.643

As of June 30, 2012, provision for impairment of inventory amounting to TL 1.154 was recorded (December 31, 2011 – TL 2.050).

	June 30, 2012	June 30, 2011
Beginning	**(2.050)**	(1.229)
Current year reversal	**2.050**	1.229
Provision for impairment of inventory	**(1.154)**	(2.265)
Ending	**1.154**	2.265

14. Biological assets

None (December 31, 2011 - None).

15. Assets related with construction projects in progress

None (December 31, 2011 - None).

16. Investment in associates

None (December 31, 2011 - 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, 2011 - None).

18. Property and equipment

The movements of property and equipment and the related accumulated depreciation for the years ended June 30, 2012 and June 30, 2011 are as follows:

	December 31, 2011	**Additions**	**Disposals**	**Transfers**	**Effect of change in foreign currencies**	**June 30, 2012**
Cost or revalued amount						
Land	**93.550**	**25.923**	**-**	**-**	**-**	**119.473**
Land improvements	**3.175**	**309**	**-**	**-**	**-**	**3.484**
Buildings	**168.513**	**671**	**-**	**7.221**		**176.405**
Machinery and equipment	**314.260**	**38.375**	**(3.347)**	**1.438**	**(565)**	**350.161**
Vehicles	**63.538**	**16.433**	**(5.094)**	**917**	**(78)**	**75.716**
Furniture and fixtures	**132.795**	**14.163**	**(1.540)**	**312**	**(129)**	**145.601**
Leasehold improvements	**234.873**	**29.471**	**(2.405)**	**-**	**(1.092)**	**260.847**
Construction in progress	**2.577**	**11.586**	**-**	**(9.888)**	**-**	**4.275**
	1.013.281	**136.931**	**(12.386)**	**-**	**(1.864)**	**1.135.962**
Less: Accumulated depreciation						
Land improvements	**(1.453)**	**(303)**		**-**		**(1.756)**
Building	**(12.577)**	**(3.967)**		**-**		**(16.544)**
Machinery and equipment	**(147.277)**	**(13.869)**	**2.065**	**-**	**168**	**(158.913)**
Vehicles	**(29.937)**	**(6.242)**	**4.144**	**-**	**20**	**(32.015)**
Furniture and fixtures	**(89.602)**	**(8.503)**	**1.514**	**-**	**33**	**(96.558)**
Leasehold improvements	**(84.360)**	**(11.411)**	**1.061**	**-**	**145**	**(94.565)**
	(365.206)	**(44.295)**	**(8.784)**	**-**	**366**	**(400.351)**
Net book value	**648.075**					**735.611**

	December 31, 2010	Additions	Disposals	Transfers	Effect of change in foreign currencies	June 30, 2011
Cost or revalued amount						
Land	79.659	5.839	-	-	-	85.498
Land improvements	2.303	191	-	-	-	2.494
Buildings	143.564	7.048	(2)	128	-	150.738
Machinery and equipment	264.278	27.205	(2.396)	2.850	405	292.342
Vehicles	51.701	10.224	(3.989)	351	65	58.352
Furniture and fixtures	115.394	9.754	(850)	75	92	124.465
Leasehold improvements	193.821	22.066	(1.702)	10	708	214.903
Construction in progress	50	7.379	-	(3.414)	-	4.015
	850.770	89.706	(8.939)	-	1.270	932.807
Less: Accumulated depreciation						
Land improvements	(949)	(219)	-	-	-	(1.168)
Building	(5.767)	(3.227)	-	-	-	(8.994)
Machinery and equipment	(126.448)	(11.080)	1.494	-	(87)	(136.121)
Vehicles	(26.598)	(4.922)	3.137	-	(9)	(28.392)
Furniture and fixtures	(75.318)	(7.642)	797	-	(18)	(82.181)
Leasehold improvements	(66.352)	(9.418)	758	-	(67)	(75.079)
	(301.432)	(36.508)	6.186	-	(181)	(331.935)
Net book value	549.338					600.872

(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 property and equipment revaluation reserve in the equity. The property and equipment revaluation reserve 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 June 30, 2012 and December 31, 2011 respectively are as follows:

	Land and buildings	
	June 30, 2012	December 31, 2011
Cost	**292.191**	258.376
Accumulated depreciation	**(28.466)**	(24.498)

As of June 30, 2012 and December 31, 2011, the gross carrying amount of property and equipment and intangibles, which are fully depreciated, but still in use, is as follows:

	June 30, 2012	December 31, 2011
Machinery and equipment	**66.977**	65.120
Furniture and fixtures	**58.017**	52.190
Intangible assets and leasehold improvements	**25.823**	24.254
Vehicles	**7.302**	6.070
Land improvements	**377**	346
	158.496	147.980

Pledges and mortgages on assets

As of June 30, 2012 and December 31, 2011, there is no 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 six month period ending June 30, 2012 and 2011 are as follows:

	December 31, 2011	**Additions**	**Disposals**	**Effect of change in foreign currencies**	**June 30, 2012**
Cost					
Rights	**10.199**	**523**	**-**	**(17)**	**10.705**
Other intangibles	**31**	**-**	**-**	**-**	**31**
	10.230	**523**	**-**	**(17)**	**10.736**
Accumulated amortization					
Rights	**(7.401)**	**(577)**	**6**	**6**	**(7.966)**
Other intangibles	**(26)**	**-**	**-**	**-**	**(26)**
	(7.427)	**(577)**	**6**	**6**	**(7.992)**
Net book value	**2.803**				**2.744**

	December 31, 2010	Additions	Disposals	Effect of change in foreign currencies	June 30, 2011
Cost					
Rights	9.104	672	-	15	9.791
Other intangibles	31	-	-	-	31
	9.135	672	-	15	9.822
Accumulated amortization					
Rights	(6.350)	(499)	-	(2)	(6.851)
Other intangibles	(26)	-	-	-	(26)
	(6.376)	(499)	-	(2)	(6.877)
Net book value	2.759				2.945

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

Major part of the rights is software licenses.

20. Goodwill

None (December 31, 2011 - None).

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

21. Government incentives and grants

Investment incentives

As of June 30, 2012 and December 31, 2011, the Group does not have any investment incentive.

22. Provisions, contingent assets and liabilities

Other provisions for accruals

As of June 30, 2012 and December 31, 2011, the Group has TL 3.158 and TL 2.395 provisions for telephone, electricity, water and other short term liabilities, respectively.

Litigation against the Group

As of June 30, 2012 and December 31, 2011, the total amount of outstanding lawsuits filed against the Group is TL 12.071 and TL 10.218 in historical terms, respectively. The Group set provisions amounting TL 7.229 and TL 6.818 for the related periods, respectively.

Current year movement of provision for lawsuits is as follows;

	June 30, 2012	June 30, 2011
Beginning	**6.818**	6.388
Provision amount, net	**411**	596
Ending	**7.229**	6.984

(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 June 30, 2012 and December 31, 2011, breakdown of the guarantees, mortgage and pledges given by the Group is as follows:

	June 30, 2012			
	Total TL equivalent	**TL**	**USD**	**Euro**
A. Total amount of guarantees, pledges and mortgages given in the name of legal entity	**14.120**	**13.669**	**250.000**	-
Guarantee	14.120	13.669	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	**2.186**	**-**	**-**	**961.254**
Guarantee	2.186	-	-	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	**16.306**	**13.669**	**250.000**	**961.254**

	December 31, 2011			
	Total TL equivalent	TL	USD	Euro
A. Total amount of guarantees, pledges and mortgages given in the name of legal entity	**14.108**	**13.421**	**363.397**	**-**
Guarantee	14.108	13.421	363.397	-
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	**2.349**	**-**	**-**	**961.254**
Guarantee	2.349	-	-	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	**16.457**	**13.421**	**363.397**	**961.254**

(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 June 30, 2012 and December 31, 2011, insurance coverage on assets of the Group is TL 627.075 and TL 598.666 respectively.

23. Commitments

None (December 31, 2011 - None).

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 2.917 (full TL) and 2.732 (full TL) at June 30, 2012 and 2011, 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 June 30, 2012 and December 31, 2011.

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 – June 30, 2012	January 1 – June 30, 2011
Current service cost (Note 30)	**2.253**	1.878
Financial expense of employee termination benefit	**1.177**	876
Actuarial loss	**298**	225
Total expense	**3.728**	2.979

Provision for employee termination benefits:	**January 1 – June 30, 2012**	January 1 – December 31, 2011
Defined benefit obligation	**26.197**	24.085
Unrecognized actuarial gains	**(11.048)**	(11.048)
	15.149	13.037

(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)

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

	January 1 – June 30, 2012	January 1 – June 30, 2011
Beginning balance	**24.085**	17.831
Financial expense of employee termination benefit	**1.177**	876
Current service cost	**2.253**	1.878
Benefits paid	**(1.616)**	(1.128)
Actuarial (gain)/loss	**298**	225
Balance at period end	**26.197**	19.682

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

	June 30, 2012	December 31, 2011
Discount rate	**%10**	%10
Expected rate of salary/limit increases	**%5,1**	%5,1

25. Employee pension plans

None (December 31, 2011 - None).

26. Other assets and liabilities

a) Other current assets

	June 30, 2012	December 31, 2011
Advances given	**25.293**	20.627
Prepaid expenses	**9.481**	7.154
VAT receivable	**6.811**	6.092
Dividend receivable (*)	**2.271**	-
Other	**1.064**	429
	44.920	34.302

(*) Expresses that dividend receivable of 2011 from the Group's subsidiary, İdeal Standart A.Ş. It has collected as of the reporting date.

(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

b) Other non-current assets

	June 30, 2012	December 31, 2011
Advances given for tangible asset purchases	**8.030**	3.945
Deposits and advances given	**2.638**	2.509
Other	**206**	406
	10.874	6.860

c) Other short-term liabilities

	June 30, 2012	December 31, 2011
Income tax and social security taxes payable	**21.572**	18.137
Other tax and funds payable	**10.523**	10.284
VAT payable	**6.834**	11.042
Advances taken	**5.329**	5.550
Other	**1.246**	589
	45.504	45.602

As of June 30, 2012 and December 31, 2011, the Group does not have any other long-term liability.

27. Shareholders' equity

a) Share capital and capital reserves

As of June 30, 2012 and December 31, 2011, the breakdown of shareholders and their ownership percentages in the Company (all in historical terms) are summarized as follows:

	June 30, 2012		December 31, 2011	
	Historical amount	**%**	Historical amount	%
Mustafa Latif Topbaş	**25.466**	**16,8**	26.466	17,5
Ahmet Afif Topbaş	**14.571**	**9,6**	13.571	8,9
Abdulrahman A. El Khereiji	**9.108**	**6,0**	10.626	7,0
Firdevs Çizmeci	**1.750**	**1,1**	1.800	1,2
Ömer Hulusi Topbaş	**180**	**0,1**	180	0,1
Publicly traded	**100.725**	**66,4**	99.157	65,3
	151.800	**100**	151.800	100

The Company's share capital is fully paid and consists of 151.800.000 (December 31, 2011 – 151.800.000) shares of TL 1 nominal value.

27. Shareholders' equity (continued)

Property and equipment revaluation reserve

As of June 30, 2012, the Group has revaluation surplus amounting TL 15.704 (December 31, 2011 – TL 15.704) related to revaluation of land and buildings. The revaluation surplus is not available for distribution to shareholders.

Financial assets fair value reserve

As of June 30, 2012, the Group has financial assets fair value reserve amounting TL 1.684 (net) as a result of the valuation of available-for-sale financial assets that are quoted in active markets or measured based on current bid prices, (December 31, 2011 - None).

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.

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.

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

27. Shareholders' equity (continued)

As of June 30, 2012 and December 31, 2011 legal reserves, prior year profits and net income for the period in statutory accounts of the Company are as follows:

	June 30, 2012	December 31, 2011
Legal reserves	**103.211**	81.449
Prior year profits	**128.678**	41.682
Net income for the period	**167.979**	306.099
	399.868	429.230

Net profit per the Company's statutory books is TL 167.979 and net profit per consolidated financial statements in accordance with CMB accounting standards is TL 159.872.

Dividend paid

Regarding the decision of ordinary meeting of the general assembly, dated May 15, 2012, the Company has completed to distribute dividend amounting to gross TL 197.340 from its net income of the year 2011 as of May 22, 2012. Gross dividend amount paid per share is full TL 1,3.

28. Sales and cost of sales

a) Net sales

The Group's net sales for the six month period ending June 30, 2012 and 2011 are as follows:

	January 1 - June 30, 2012	**April 1 - June 30, 2012**	January 1 - June 30, 2011	April 1 - June 30, 2011
Sales	**4.800.062**	**2.363.009**	3.828.193	1.943.466
Sales return (-)	**(19.213)**	**(10.128)**	(14.386)	(7.607)
	4.780.849	**2.352.881**	3.813.807	1.935.859

b) Cost of sales

	January 1 - June 30, 2012	**April 1 - June 30, 2012**	January 1 - June 30, 2011	April 1 - June 30, 2011
Beginning inventory	**400.755**	**423.217**	332.795	345.736
Purchases	**4.125.966**	**2.054.240**	3.234.963	1.657.786
Ending inventory (-)	**(494.147)**	**(494.147)**	(373.585)	(373.585)
	4.032.574	**1.983.310**	3.194.173	1.629.937

(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

a) Selling, marketing and distribution expenses

	January 1 - June 30, 2012	**April 1 - June 30, 2012**	January 1 - June 30, 2011	April 1 - June 30, 2011
Personnel expenses	**210.511**	**108.949**	172.297	89.466
Rent expenses	**118.772**	**60.968**	100.081	51.204
Depreciation and amortization expenses	**41.342**	**21.237**	34.105	17.570
Water, electricity and communication expenses	**24.735**	**13.822**	20.704	11.020
Packaging expenses	**24.260**	**11.777**	18.788	9.552
Advertising expenses	**18.578**	**11.497**	11.943	6.099
Trucks fuel expense	**18.141**	**9.150**	14.080	7.495
Maintenance and repair expenses	**10.113**	**5.171**	8.810	4.411
Provision for employee termination benefit	**1.847**	**923**	1.602	803
Other selling and marketing expenses	**19.776**	**9.892**	14.991	7.790
	488.075	**253.386**	**397.401**	**205.410**

b) General and administrative expenses

	January 1 - June 30, 2012	**April 1 - June 30, 2012**	January 1 - June 30, 2011	April 1 - June 30, 2011
Personnel expenses	**45.378**	**22.834**	37.127	18.876
Depreciation and amortization expenses	**3.530**	**1.843**	2.902	1.405
Motor vehicle expenses	**3.321**	**1.710**	2.769	1.455
Money collection expenses	**2.447**	**1.264**	2.201	1.108
Legal and consultancy expenses	**3.040**	**1.497**	1.907	1.015
Communication expenses	**435**	**233**	421	211
Provision for employee termination benefits	**406**	**198**	276	122
Office supplies expenses	**288**	**153**	244	118
Other general and administrations expenses	**13.431**	**7.459**	10.259	5.622
	72.276	**37.191**	58.106	29.932

30. Expenses as to nature

a) Depreciation and amortization expenses

	January 1 - June 30, 2012	**April 1 - June 30, 2012**	January 1 - June 30, 2011	April 1 - June 30, 2011
Selling, marketing and distribution expenses	**41.342**	**21.237**	34.105	17.570
General and administrative expenses	**3.530**	**1.843**	2.902	1.405
	44.872	**23.080**	37.007	18.975

b) Personnel expenses

	January 1 - June 30, 2012	**April 1 - June 30, 2012**	January 1 - June 30, 2011	April 1 - June 30, 2011
Wages and salaries	**223.419**	**115.027**	182.745	94.529
Employee termination benefits	**2.253**	**1.121**	1.878	925
SSK provisions employee contribution	**32.471**	**16.757**	26.679	13.813
	258.143	**132.905**	211.302	109.267

(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 - June 30, 2012	**April 1 - June 30, 2012**	January 1 - June 30, 2011	April 1 - June 30, 2011
Other income	**4.614**	**2.054**	3.508	1.943
Gain on sale of scrap materials	**3.151**	**1.553**	2.429	1.259
Dividend income	**2.660**	**2.660**	-	-
Gain on sale of property and equipment	**552**	**500**	-	-
	10.977	**6.767**	5.937	3.202

b) Other operating expense

	January 1 - June 30, 2012	**April 1 - June 30, 2012**	January 1 - June 30, 2011	April 1 - June 30, 2011
Provision expenses	**443**	**296**	622	111
Other	**398**	**192**	1.300	761
Loss on sale of property and equipment	**-**	**-**	27	(75)
	841	**488**	1.949	797

32. Financial income

	January 1 - June 30, 2012	**April 1 - June 30, 2012**	January 1 - June 30, 2011	April 1 - June 30, 2011
Financial income				
Income on profit share account - deposits	**8.982**	**4.263**	8.671	4.018
Foreign exchange gains	**84**	**(289)**	4.171	2.560
Total financial income	**9.066**	**3.974**	12.842	6.578

33. Financial expenses

	January 1 - June 30, 2012	**April 1 - June 30, 2012**	January 1 - June 30, 2011	April 1 - June 30, 2011
Financial expense				
Foreign exchange losses	**3.372**	**1.429**	648	507
Finance charge on employee termination benefit	**1.475**	**738**	1.101	551
Banking charges	**145**	**114**	17	-
Other financial expense	**142**	**50**	47	18
Total financial expenses	**5.134**	**2.331**	1.813	1.076

34. Asset held for sale and discontinued operations

None (December 31, 2011 - None).

(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

As of June 30, 2012 and December 31, 2011, provision for taxes of the Group is as follows:

	June 30, 2012	December 31, 2011
Current period tax provision	**42.035**	77.293
Prepaid taxes	**(26.439)**	(59.219)
Corporate tax payable	**15.596**	18.074

In Turkey, as of June 30, 2012 corporate tax rate is 20% (December 31, 2011- 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 June 30, 2012 the corporate tax rate is %30 (December 31, 2011 - %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.

As of June 30, 2012 and 2011, temporary differences based for deferred tax and deferred tax asset/liability calculated by using applicable tax rates are as follows:

(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)

	Balance sheet		Comprehensive income statement	
	June 30, 2012	December 31, 2011	**January 1- June 30, 2012**	January 1- June 30, 2011
Deferred tax liability				
Restatement effect on non-monetary items in accordance with IAS 29	**18.727**	16.551	**2.176**	465
	421	-	**421**	-
Change in fair value on available-for-sale assets				
Deferred tax asset	**(2.979)**	(2.530)	**(449)**	(380)
Reserve for employee termination benefit	**(5.463)**	(3.858)	**(1.605)**	(531)
Other adjustments			**(37)**	49
Currency translation difference				
Deferred tax	**10.706**	10.163	**506**	**(397)**

Deferred tax is presented in financial statements as follows:

	June 30, 2012	December 31, 2011
Deferred tax asset	**500**	481
Deferred tax liability	**(11.206)**	(10.644)
Net tax liability	**(10.706)**	(10.163)

Movement of net deferred tax liability for the six month period ending June 30, 2012 and 2011 is presented as follows:

	January 1- June 30, 2012	January 1- June 30, 2011
Opening balance	**10.163**	8.694
Deferred tax expense/(income) recognized in statement of comprehensive income	**85**	(397)
Change in fair value on available-for-sale assets recognized in statement of other comprehensive income	**421**	-
Change in currency translation difference recognized in statement of other comprehensive income	**37**	(49)
Balance at the end of period	**10.706**	8.248

(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- June 30, 2012	January 1- June 30,2011
Net income before tax	**201.992**	179.144
Corporation tax at effective tax rate of 20%	**(40.398)**	(35.829)
Disallowable expenses	**(339)**	(286)
Effect of non-tax deductible and tax exempt items	**285**	37
Tax rate effect of the consolidated subsidiary	**(863)**	22
Other	**(805)**	(1.096)
Provision for taxes	**(42.120)**	(37.152)
- Current	**(42.035)**	(37.549)
- Deferred	**(85)**	397

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 June 30, 2012 and 2011 are as follows;

Earnings per share	**January 1- June 30, 2012**	January 1- June 30,2011
Average number of stocks during the period	**151.800.000**	151.800.000
Net profit of the period	**159.872**	141.992
Profit per share (full TL)	**1,053**	0,935

(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 June 30, 2012 and December 31, 2011 are as follows:

Payables related to goods and services received

	June 30, 2012	December 31, 2011
Ak Gıda A.Ş. (Ak Gıda) (1)	**55.856**	74.719
Başak Gıda Dağıtım ve Pazarlama A.Ş. (Başak) (1)	**26.389**	28.032
Hedef Tüketim Ürünleri San ve Dış Tic. A.Ş.(Hedef) (1)	**15.567**	13.449
Turkuvaz Plastik ve Tem. Ürün. Tic. A.Ş (Turkuvaz) (1)	**14.567**	9.582
Esas Paz. ve Tic .A.Ş (Esas) (1)	**6.156**	1.796
İdeal Standart İşletmecilik ve Mümessillik San. ve Tic. A.Ş. (İdeal Standart) (2)	**1.541**	-
Bahar Su Sanayi ve Tic. A.Ş (Bahar Su) (1)	**1.375**	763
Seher Gıda Paz. San. ve Tic. A.Ş. (Seher) (1)	**283**	116
Proline Bilişim Sistemleri ve Ticaret A.Ş.(1)	**78**	1
Natura Gıda Sanayi ve Ticaret A.Ş. (Natura) (1) (*)	**-**	1.281
	121.812	129.739

(1) Companies owned by shareholders of the Company
(2) Subsidiary of the Group

(*) There has an advance from Natura Gıda Sanayi ve Ticaret A.Ş. amounting TL 2.116 as of 31 March 2012 and relevant amount is included in other current assets. (December 31, 2011 – None)

(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)

b) Related party transactions

For the six month period ending June 30, 2012 and 2011, summary of the major transactions with related parties are as follows:

(i) Purchases from related parties during the periods ended June 30, 2012 and 2011 are as follows:

	January 1 - June 30, 2012	January 1 - June 30, 2011
Ak Gıda (1)	**313.058**	235.222
Başak (1)	**144.179**	110.334
Turkuvaz (1)	**40.516**	14.127
Hedef (1)	**38.153**	22.993
Natura (1)	**36.291**	21.947
Esas (1)	**11.774**	15.631
İdeal standart (2)	**4.935**	--
Bahar Su (1)	**2.549**	1.248
Seher (1)	**722**	879
Proline (1)	**607**	591
Bahariye (1)	**534**	1.478
Marsan (1) (*)	**-**	2.978
	593.318	427.428

(1) Companies owned by shareholders of the Company
(2) Subsidiary of the Group

(*) The company has been delisted from related parties after July 1, 2011 the amounts are purchases from the Company between the dates January 1, 2011 – June 30, 2011.

(ii) For the six month period ending June 30, 2012 and 2011 salaries, bonuses and compensations provided to board of directors and key management comprising of 79 and 77 personnel, respectively, are as follows:

	January 1 - June 30, 2012	January 1 - June 30, 2011
Short-term benefits	**9.409**	7.929
Long-term defined benefits	**1.673**	653
Total benefits	**11.082**	8.582

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.

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	Profit share deposits	**41.399**	236.220
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.

(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)

Credit risk table (Current period)

	Credit card receivable		Bank deposits		Financial Investments	
	Related party	Other party	Related party	Other Party	Related party	Other Party
Maximum credit risk exposures as of report date	-	**274.736**	-	**85.936**	**12.590**	**9.681**
Maximum risk secured by guarantees						
A. Net book value of financial assets neither overdue nor impaired	-	**274.736**	-	**85.936**	**12.590**	**9.681**

Credit risk table (Prior period)

	Credit card receivable		Bank deposits		Financial Investments	
	Related party	Other party	Related party	Other Party	Related party	Other Party
Maximum credit risk exposures as of report date	-	**269.190**	-	**280.585**	**-**	**-**
Maximum risk secured by guarantees						
A. Net book value of financial assets neither overdue nor impaired	-	**269.190**	-	**280.585**	**-**	**-**

(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 June 30, 2012 and December 31, 2011, the Group's foreign currency position is as follows:

		June 30, 2012				December 31,2011		
		TL equivalent (functional currency)	**USD**	**EUR**	**GBP**	TL equivalent (functional currency)	USD	EUR
1.	Trade receivables	-	-	-	-	-	-	-
2a.	Monetary financial assets (including cash, bank accounts)	188	66.081	28.023	1.800	109	7.855	38.388
2b.	Non-monetary financial assets			-	-			
3.	Other	159	88.200	-	-	21	6.100	4.000
4.	**Current assets (1+2+3)**	**347**	**154.281**	**28.023**	**1.800**	130	13.955	42.388
5.	Trade receivables							
6a.	Monetary financial assets	-	-	-	-	-	-	-
6b.	Non-monetary financial assets	-	-	-	-	-	-	-
7.	Other	3	21.600	1.278	-	-	-	-
8.	**Non-current assets (5+6+7)**	**3**	**21.600**	**1.278**	**-**	-	-	-
9.	**Total assets(4+8)**	**389**	**175.881**	**29.301**	**1.800**	130	13.955	42.388
10.	Trade payables	-	-	-	-	-	-	-
11.	Financial liabilities	-	-	-	-	-	-	-
12a.	Monetary other liabilities	-	-	-	-	12	6.500	-
12b.	Non-monetary other liabilities	-	-	-	-			-
13.	**Current liabilities (10+11+12)**	-	-	-	-	12	6.500	-
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)**	**-**	**-**	**-**	**-**	12	6.500	-
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)**	-	-	-	-	-	-	-
21.	**Net foreign currency asset/(liability) position of monetary items (=1+2a+5+6a-10-11-12a-14-15-16a)**	**389**	**175.881**	**29.301**	**1.800**	118	7.455	42.388
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 June 30, 2012 and December 31, 2011:

	June 30, 2012	**Exchange rate sensitivity analysis**	
			Current Period
		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)	**32**	**(32)**
2-	Protected part from U.S Dollar risk (-)	**-**	**-**
3-	**U.S Dollar net effect (1+2)**	**32**	**(32)**
	Increase of 10% in value of Euro against TL:		
4-	Euro net asset/(liability)	**7**	**(7)**
5-	Protected part from Euro risk (-)	**-**	**-**
6-	**Euro net effect (4+5)**	**7**	**(7)**
7	GBP net asset/(liability)	**1**	**(1)**
8-	Protected part from GBP risk (-)	**-**	**-**
9-	**GBP net effect (7+8)**	**1**	**(1)**
	Total (3+6+9)	**40**	**(40)**

	December 31, 2011	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)	2	(2)
2-	Protected part from U.S Dollar risk (-)	-	-
3-	**U.S Dollar net effect (1+2)**	2	(2)
	Increase of 10% in value of Euro against TL:		
4-	Euro net asset/(liability)	10	(10)
5-	Protected part from Euro risk (-)	-	-
6-	**Euro net effect (4+5)**	10	(10)
	Total (3+6)	12	(12)

(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 June 30, 2012 and December 31, 2011, maturities of undiscounted trade payables and financial liabilities are as follows:

June 30, 2012

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						
Trade payables	**968.273**	**974.643**	**974.643**	**-**	**-**	**-**
Due to related parties	**121.812**	**122.624**	**122.624**	**-**	**-**	**-**

December 31, 2011

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	890.253	895.639	895.639	-	-	-
Due to related parties	129.739	130.537	130.537	-	-	-

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

As of July 24, 2012, the Group has completed establishment processes of its subsidiary, Bim Stores which will operate in Egypt. Subject of activity of the subsidiary which has been established with 100% shareholding and Egypt Pound 2.000.000 (TL 600.000 approximately) nominal value is retail business.

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 June 30, 2012 and December 31, 2011.