BİM Birleşik Mağazalar Anonim Şirketi

Consolidated financial statements
at March 31, 2013

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

BİM Birleşik Mağazalar Anonim Şirketi and its Subsidiaries

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BİM Birleşik Mağazalar Anonim Şirketi and its Subsidiaries

Consolidated balance sheet
as at March 31, 2013
(Currency – Thousands of Turkish Lira)

Assets

	Notes	Current period March 31, 2013 Unaudited	Restated (Note 2) Prior period December 31, 2012 Audited
Current assets		**1.456.015**	1.257.369
Cash and cash equivalents	4	**510.259**	388.222
Trade receivables	7	**319.344**	314.148
Inventories	8	**507.017**	483.584
Other current assets	13	**119.395**	71.415
Non-current assets		**904.385**	876.018
Financial investments	5	**12.590**	12.590
Property and equipment	9	**873.445**	851.413
Intangible assets	10	**3.338**	3.152
Deferred tax asset	21	**428**	392
Other non-current assets	13	**14.584**	8.471
Total assets		**2.360.400**	2.133.387

The accompanying policies and explanatory notes on pages 6 through 45 form an integral part of the consolidated financial statements.

BİM Birleşik Mağazalar Anonim Şirketi and its Subsidiaries

Consolidated balance sheet
as at March 31, 2013
(Currency – Thousands of Turkish Lira)

Liabilities and equity

	Notes	Current period March 31, 2013 Unaudited	Restated (Note 2) Prior period December 31, 2012 Audited
Current liabilities		**1.418.632**	1.288.960
Financial liabilities	6	**-**	10.448
Trade payables			
- Due to related parties	23	**176.331**	171.885
- Other trade payables	7	**1.139.862**	1.026.151
Other current liabilities	13	**57.995**	42.549
Income tax payable	21	**25.962**	22.697
Provisions	11	**18.482**	15.230
Non-current liabilities		**48.978**	48.415
Reserve for employee termination benefits	12	**37.650**	36.711
Deferred tax liability	21	**11.328**	11.704
Equity		**892.790**	796.012
Equity attributable to parent		**892.790**	796.012
Paid-in share capital	14	**151.800**	151.800
Actuarial gain/loss fund regarding employee termination benefits	2	**(18.102)**	(18.102)
Revaluation surplus	14	**78.323**	78.323
Currency translation difference		**(615)**	(158)
Restricted reserves assorted from profits	14	**103.211**	103.211
Prior year profits		**480.938**	149.140
Net income for the period		**97.235**	331.798
Total liabilities and equity		**2.360.400**	2.133.387

The accompanying policies and explanatory notes on pages 6 through 45 form an integral part of the consolidated financial statements.

BİM Birleşik Mağazalar Anonim Şirketi and its Subsidiaries

Consolidated statement of comprehensive income for the period ended March 31, 2013
(Currency – Thousands of Turkish Lira)

	Notes	Current period January 1, 2013 - March 31, 2013 Unaudited	Restated (Note 2) Prior period January 1, 2012 - March 31, 2012 Unaudited
Continuing operations			
Net sales	15	**2.795.492**	2.427.968
Cost of sales (-)	15	**(2.361.133)**	(2.049.264)
Gross profit		**434.359**	378.704
Marketing, selling and distribution expenses (-)	16	**(280.387)**	(234.117)
General and administrative expenses (-)	16	**(36.779)**	(33.796)
Other operating income	18	**2.726**	2.349
Other operating expenses (-)	18	**(910)**	(353)
Operating profit		**119.009**	112.787
Financial income	19	**6.431**	5.092
Financial expenses (-)	20	**(2.126)**	(2.654)
Net income before taxes from continuing operations		**123.314**	115.225
Tax expense for continuing operations			
- Current tax expense for the period (-)	21	**(26.495)**	(23.982)
- Deferred tax income/(expense)	21	**416**	(390)
Net income		**97.235**	90.853
Other comprehensive income			
Actuarial (loss) / gain from defined benefit plans		**-**	-
Change in financial investment revaluation reserve		**-**	2.371
Currency Translation difference		**(457)**	822
Other comprehensive income (after tax)		**(457)**	3.193
Total comprehensive income		**96.778**	94.046
Profit for the period attributable to			
Share of the parent		**97.235**	90.853
Non-controlling interest		**-**	-
Total comprehensive income attributable to			
Share of the parent		**96.778**	94.046
Non-controlling interest		**-**	-
Weighted average number of shares (each equals to TL 1)		**151.800.000**	151.800.000
Earnings per share attributable to equity holders of the parent (full TL)	22	**0,641**	0,599

The accompanying policies and explanatory notes on pages 6 through 45 form an integral part of the consolidated financial statements.

BİM Birleşik Mağazalar Anonim Şirketi and its Subsidiaries

Consolidated statement of changes in equity
for the period ended March 31, 2013
(Currency – Thousands of Turkish Lira)

	Paid-in share capital	Financial assets fair value reserve	Revaluation surplus	Actuarial (loss) / gain from defined benefit plans	Currency translation difference	Restricted reserves assorted from profits	Prior year profits	Net income for the period	Total equity
December 31, 2011	151.800	-	15.704	(9.469)	(412)	81.449	68.973	299.269	607.314
Transfer to prior year profits	-	-	-	-	-	-	299.269	(299.269)	-
Net income for the period	-	-	-	-	-	-	-	90.853	90.853
Other comprehensive income	-	2.371	-	-	822	-	-	-	3.193
Total comprehensive income	-	2.371	-	-	822	-	-	90.853	94.046
March 31, 2012 (Restated)	151.800	2.371	15.704	(9.469)	410	81.449	368.242	90.853	701.360
December 31, 2012 (Restated)	**151.800**	**-**	**78.323**	**(18.102)**	**(158)**	**103.211**	**149.140**	**331.798**	**796.012**
Transfer to prior year profits							**331.798**	**(331.798)**	**-**
Net income for the period	**-**	**-**	**-**	**-**		**-**	**-**	**97.235**	**97.235**
Other comprehensive income	**-**	**-**	**-**	**-**	**(457)**	**-**	**-**	**-**	**(457)**
Total comprehensive income	**-**	**-**	**-**	**-**	**(457)**	**-**	**-**	**97.235**	**96.778**
March 31, 2013	**151.800**	**-**	**78.323**	**(18.102)**	**(615)**	**103.211**	**480.938**	**97.235**	**892.790**

The accompanying policies and explanatory notes on pages 6 through 45 form an integral part of the consolidated financial statements.

BİM Birleşik Mağazalar Anonim Şirketi and its Subsidiaries

Consolidated statement of cash flow for the period ended March 31, 2013
(Currency – Thousands of Turkish Lira)

	Notes	Current period January 1, 2013- March 31, 2013 Unaudited	Restated (Note 2) Prior period January 1, 2012- March 31, 2012 Unaudited
Cash flows from operating activities			
Profit before tax		**123.314**	115.225
Adjustments to reconcile profit before tax to net cash provided by operating activities:			
Depreciation and amortization	9, 10, 17	**26.143**	21.795
Profit share income from deposit accounts	19	**(5.706)**	(4.719)
Provision for doubtful receivable, net	7	**-**	-
Financial expense of employee termination benefit	12	**815**	588
Increase provision for employee termination benefit	12,17	**1.751**	1.132
(Gain)/loss on sale of tangible and intangible fixed assets	18	**459**	(52)
Provisions, net		**3.252**	954
Provision / (reversal) for impairment on trade goods		**(422)**	(503)
Operating income before working capital changes		**149.606**	134.420
Net working capital changes in			
Trade receivables		**(5.196)**	(26.759)
Inventories		**(23.011)**	(21.972)
Other current assets		**(47.980)**	(44.429)
Other non-current assets		**4**	161
Other trade payables		**113.711**	77.755
Due to related parties		**4.446**	(31.114)
Other current liabilities		**15.446**	2.365
Income taxes paid		**(23.231)**	(20.511)
Employee termination benefit paid	12	**(1.627)**	(753)
Net cash generated by operating activities		**182.168**	69.163
Cash flows from investing activities			
Purchase of property and equipment	9	**(50.074)**	(79.645)
Purchase of intangibles	10	**(494)**	(180)
Advances given for purchase of property and equipment		**(6.117)**	362
Proceeds from sale of property and equipment and intangibles		**1.298**	1.996
Profit share received from deposit accounts		**2.690**	6.176
Changes in financial assets available for sale		**-**	(20.166)
Net cash used in investing activities		**(52.697)**	(91.457)
Cash flows from financing activities			
Payments to bank borrowings	6	**(10.448)**	-
Net cash used in financing activities		**(10.448)**	-
Currency translation differences		**(2)**	1.427
Increase in cash and cash equivalents		**119.021**	(20.867)
Cash and cash equivalents at the beginning of the year		**386.958**	360.592
Cash and cash equivalents at the end of the period	4	**505.979**	339.725

The accompanying policies and explanatory notes on pages 6 through 45 form an integral part of the consolidated financial statements.

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

1. Organization and nature of operations of the Group

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 Group 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 March 31, 2013.

The Company established a new company named BIM Stores LLC on July 24, 2012 with 100% ownership in Egypt which is engaged in hard discount retail sector and first stores of BIM Stores LLC has been opened in April 2013. BIM Stores LLC financial statements are consolidated by using the full consolidation method as of March 31, 2013. Hereinafter, the Company and its consolidated subsidiaries 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 May 8, 2013 by the Board of Directors of the Company. Although there is no such intention, the General Assembly and certain regulatory bodies have the power to amend the financial statements after issue.

For the periods ended March 31, 2013 and 2012, the average number of employees in accordance with their categories is shown below:

	January 1-March 31, 2013	January 1-March 31, 2012
Office personnel	**1.483**	1.368
Warehouse personnel	**2.436**	2.182
Store personnel	**18.231**	16.345
Total	**22.150**	19.895

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. Subsidiaries operating in foreign countries maintain their books of account in the currencies of those countries and prepare their statutory financial statements in accordance with the legislation effective in those countries.

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 buildings.

New and amended standards and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at March 31, 2013 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, 2013. 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, 2013 are as follows:

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 i) evaluating the effect or potential effect of netting arrangements on an entity’s financial position and ii) analysing and comparing financial statements prepared in accordance with IFRSs and other generally accepted accounting standards. 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 have no impact on the financial position or performance of the Group.

2. Basis of preparation of financial statements (continued)

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

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 disclosures only and have no impact on the financial position or performance of the Group.

IAS 19 Employee Benefits (Amended)

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. Before this amendment the Group, had recognized actuarial gains and losses, in the statement of comprehensive income by using corridor method with amortization mechanism. The change of impact of recognizing actuarial gains and losses in the other comprehensive income on the financial position or performance of the Group is presented retrospectively under Note 2, Amendments and Reclassifications made to the financial statements of the year 2012.

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 amendment did 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. The amendment affects disclosures only and have no impact on the financial position or performance of the Group.

IFRS 10 Consolidated Financial Statements

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 amendment did not have any impact on the financial position or performance of the Group.

IFRS 11 Joint Arrangements

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 amendment did not have any impact on the financial position or performance of the Group.

2. Basis of preparation of financial statements (continued)

IFRS 12 Disclosure of Interests in Other Entities

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.

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.

This amendment did not have any impact on the financial position or performance of the Group.

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

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. The interpretation is not applicable for the Group and did not have any impact on the financial position or performance of the Group.

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

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 European Union. These amendments did not have any impact on the financial position or performance of the Group.

Improvements to IFRSs

Annual Improvements to IFRSs – 2009 – 2011 Cycle, which contains amendments to its standards did not have any impact on the financial position or performance of the Group for annual periods beginning on or after 1 January 2013.

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.

2. Basis of preparation of financial statements (continued)

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.

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 consolidated interim financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the interim consolidated financial statements and disclosures, after the new standards and interpretations become in effect.

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. 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 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 European Union. The Group does not except that these amendments will have significant impact on the financial position or performance of the Group.

IFRS 10 Consolidated Financial Statements (Amendment)

IFRS 10 is amended to provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss in accordance with IFRS 9 Financial Instruments. The amendment applies for annual periods beginning on or after January 1, 2014 with earlier application permitted. The amendment has not yet been endorsed by the European Union. The amendment is not applicable for the Group and will not have any impact on the financial position or performance of the Group.

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

2. Basis of preparation of financial statements (continued)

Functional and presentation currency

The functional and presentation currency of the Group 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 = MAD 4,7945 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 = MAD 4,7381. Differences that occur by the usage of closing and average exchange rates are followed under currency translation differences classified under equity.

The functional currency of the Company's other subsidiary, BIM Stores LLC is Egyptian Pound (EGP). In the consolidated financial statements, EGP amounts presented in the balance sheet and in the statement of comprehensive income are translated into Turkish Lira at the TL exchange rate for purchase of EGP at the balance sheet date, TL 1 = EGP 3,7567.

Amandments and Reclassifications made to the financial statements of the year 2012

i) Amendments:

As part of the amendment effective as of January 1, 2013 in "Employee Benefits" of the IAS, regarding the severance pay liability which is recognized under employee termination benefits of the Group, the total actuarial gains/losses after January 1, 2005 have been set cumulatively and were classified under the actuarial gain/loss fund regarding employee termination benefits of the previous year on the balance sheet dated December 31, 2012:

	01.01.2012			31.12.2012		
	Before Amendment	After Amendment	Difference	Before Amendment	After Amendment	Difference
Prior year profits	68.701	68.973	272	148.509	149.140	631
Net Income	298.910	299.269	359	331.321	331.798	477
Actuarial gain/loss fund regarding employee termination benefits	-	(9.469)	(9.469)	-	(18.102)	(18.102)
Reserve for employee termination benefits	12.648	23.695	11.047	15.468	36.711	21.243
Deferred tax liability	10.644	8.435	(2.209)	15.953	11.704	(4.249)

Besides, the actuarial loss of TL 149 classified under financial expenses on the statement of comprehensive income dated March 31, 2012 and the deferred tax effect of TL 30 classified under deferred tax expense was withdrawn from the related accounts on the comparative statement of comprehensive income dated March 31, 2012 and shown on the actuarial gains/losses fund account as part of employee termination benefits under equity.

2. Basis of preparation of financial statements (continued)

ii) Reclassificiations:

Certain reclassifications have been made in the balance sheet and in the income statement for the year ended March 31, 2012 in accordance with CMB Accounting Standards. Marketing, selling and distribution expenses account, general and administrative expenses account are offset with other operating income due to the same content of the accounts in amount of TL 572 and TL 1.289, respectively.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent company BIM and its subsidiaries prepared for the year ended March 31, 2013. Subsidiaries are consolidated from the date on which control is transferred to the Group. The consolidated financial statements cover BİM and the subsidiaries with 100% control.

Subsidiaries are consolidated by using the full consolidation method; therefore, the carrying value of subsidiaries are eliminated against the related shareholders' equity.

Intercompany balances and transactions between BİM and its subsidiaries, including unrealized intercompany 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.

Valuation basis and significant accounting policies applied

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 participation banks are recognized in accrual basis.

2. Basis of preparation of financial statements (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks, cash in transit and short-term deposits that are not used for investment purposes.

Trade receivables

Trade receivables, which generally have an average of 10 day term (December 31, 2012 – 11 days) as of balance sheet date, are carried at amortized cost less an allowance for any uncollectible amounts. Estimate is made for the doubtful provision when the collection of the trace receivable is not probable.

Inventories

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

Net realizable value is the estimated selling price less estimated costs necessary to realize sale.

Property and equipment

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

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

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

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

	Duration (Years)
Land improvements	5
Buildings	25
Machinery and equipment	4- 10
Furniture and fixtures	5- 10
Vehicles	5- 10
Leasehold improvements	5- 10

2. Basis of preparation of financial statements (continued)

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

Intangible assets

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

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

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

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

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

Impairment of non-financial assets

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

Financial instruments

Financial asset and 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 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,

2. Basis of preparation of financial statements (continued)

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

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

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.

2. Basis of preparation of financial statements (continued)

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.

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.

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

2. Basis of preparation of financial statements (continued)

Trade payables

Trade payables which generally have an average of 48 day term (December 31, 2012 - 48 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:

	USD/TL (full)	EUR/TL (full)
March 31, 2013	**1,8087**	**2,3189**
March 31, 2012	1,7826	2,3517

Earnings per share

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

Subsequent events

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

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.

2. Basis of preparation of financial statements (continued)

ii) Contingent assets and liabilities

A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable. 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.

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) An entity is related to a reporting entity if any of the following conditions applies:

- (i) 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).
- (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.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (iv) 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 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 tax liabilities are recognized for all taxable temporary differences.

2. Basis of preparation financial statements (continued)

Income taxes (continued)

Deferred 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 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 tax asset to be utilized.

Deferred 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 tax effects of the transactions that are accounted directly in the equity are also reflected to 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 12, the employee benefit liability is provided for in accordance with IAS 19 “Employee Benefits” and is based on an independent actuarial study.

Actuarial gains and losses that calculated by professional actuarials, are recognized in the actuarial gain/loss fund regarding employee termination benefits in the equity. Recognized gains and losses shall not be transferred to comprehensive statement of income in the following periods. Reserve for employee termination benefits is recognized to financial statements that calculated with the discount rate estimated by professional actuarial.

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.

c) Unused vacation

Unused vacation rights accrued in the consolidated financial statements represents estimated total provision for potential liabilities related to employees' unused vacation days as of the balance sheet date.

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

3. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers of the Group. 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 Group makes strategic decisions as a whole over the operations of the Group as the Group 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.

4. Cash and cash equivalents

	March 31, 2013	December 31, 2012
Cash on hand	**69.199**	54.725
Banks		
-profit share deposits	**312.151**	184.224
-demand deposits	**87.972**	122.680
Cash in transit	**40.937**	26.593
	510.259	388.222
Less: accrual for profit share	**(4.280)**	(1.264)
	505.979	386.958

As of March 31, 2013 and December 31, 2012 there is no restricted cash. As of March 31, 2013, profit share deposits are in TL and the gross rate for profit share from participation banks for TL is 8,5% (December 31, 2012 – gross 8,5%).

5. Financial investments

The details of subsidiaries and associates' financial investment of the Group as of March 31, 2013 and December 31, 2012 are as below:

Name	**Ratio**	**March 31, 2013**	**December 31, 2012**
İdeal Standart İşletmecilik ve Mümessillik San. ve Tic. A.Ş.(*)	100%	12.590	12.590
		12.590	**12.590**

(*) 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 is not quoted in active markets or measured based on current bid prices, measured at cost. Since the financial statements of the Company 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 March 31, 2013, the ratio of total assets and turnover of the Company is less than 1% to the Group's consolidated total assets and turnover.

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

6. Financial liabilities

The Group has no short term bank borrowings as of March 31, 2013. The Group has interest free short term bank borrowings in amount of TL 10.448 to pay SGK liabilities as of December 31, 2012. Such borrowings have been closed on January 3, 2013.

7. Trade receivables and payables

a) Trade receivables, net

	March 31, 2013	December 31, 2012
Credit card receivables	**317.571**	312.344
Trade receivables	**862**	1.003
Doubtful trade receivables	**365**	365
Other receivables	**911**	801
Less: provision for doubtful receivables	**(365)**	(365)
	319.344	314.148

As of March 31, 2013 the average term of trade receivables is 10 days (December 31, 2012 – 11 days).

Term trade receivables are recognized at original invoice amount and carried after provisions for doubtful trade receivables are discounted from the deduction.The allowance for doubtful receivables are estimated when it is not possible the collection of the receivable.

As of March 31, 2013 and December 31, 2012, the Group does not have any overdue trade receivables except for doubtful receivables.

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

	March 31, 2013	March 31, 2012
Beginning	**365**	712
Allowance for doubtful receivables	**-**	-
Collection in current year	**-**	-
Ending	**365**	712

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

7. Trade receivables and payables (continued)

b) Trade payables, net

	March 31, 2013	December 31, 2012
Other trade payables	**1.139.862**	1.026.151
	1.139.862	1.026.151

As of March 31, 2013 the average term of trade payables is 48 days (December 31, 2012 - 48 days). As of March 31, 2013 letters of guarantee and cheques are amounting to 19.162 TL and mortgages are amounting to TL 23.840 (December 31, 2012 – TL 26.060 letters of guarantee and cheque, TL 23.793 mortgages).

8. Inventories

	March 31, 2013	March 31, 2012
Trade goods, net	**481.717**	478.323
Other inventory	**25.300**	5.261
	507.017	483.584

As of March 31, 2013 provision for impairment of inventory amounting to TL 1.001 was recorded (December 31, 2012 – TL 1.423).

	March 31, 2013	December 31, 2012
Beginning	**(1.423)**	(2.050)
Current year reversal	**1.423**	2.050
Provision for impairment	**(1.001)**	(1.547)
Ending	**(1.001)**	(1.547)

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

9. Property and equipment

The movements of property and equipment and the related accumulated depreciation for the periods ended March 31, 2013 and 2012 are as follows:

	December 31, 2012	Additions	Disposals	Transfers	Effect of change in foreign currencies	March 31, 2013
Cost or revalued amount						
Land	**199.589**	**-**	**-**	**-**	**-**	**199.589**
Land improvements	**3.988**	**309**	**-**	**-**	**-**	**4.297**
Buildings	**172.173**	**3.694**	**-**	**5.441**	**-**	**181.308**
Machinery and equipment	**369.894**	**14.227**	**(1.968)**	**449**	**(140)**	**382.462**
Vehicles	**78.036**	**6.383**	**(1.890)**	**945**	**(14)**	**83.460**
Furniture and fixtures	**157.685**	**6.163**	**(806)**	**222**	**(23)**	**163.241**
Leasehold improvements	**282.712**	**12.625**	**(1.117)**	**102**	**(354)**	**293.968**
Construction in progress	**6.528**	**6.673**	**(1)**	**(7.159)**	**-**	**6.041**
	1.270.605	**50.074**	**(5.782)**	-	**(531)**	**1.314.366**
Less: Accumulated depreciation						
Land improvements	**(2.107)**	**(190)**	**-**	**-**		**(2.297)**
Building	**-**	**(2.399)**	**-**	**-**		**(2.399)**
Machinery and equipment	**(172.309)**	**(7.966)**	**1.262**	**-**	**36**	**(178.977)**
Vehicles	**(34.666)**	**(3.626)**	**1.555**	**-**	**5**	**(36.732)**
Furniture and fixtures	**(104.760)**	**(4.931)**	**796**	**-**	**6**	**(108.889)**
Leasehold improvements	**(105.350)**	**(6.723)**	**413**	**-**	**33**	**(111.627)**
	(419.192)	**(25.835)**	**4.026**	**-**	**80**	**(440.921)**
Net book value	**851.413**					**873.445**

	December 31, 2011	Additions	Disposals	Transfers	Effect of change in foreign currencies	March 31, 2012
Cost or revalued amount						
Land	93.550	25.923	-	-	-	119.473
Land improvements	3.175	114	-	-	-	3.289
Buildings	168.513	231	-	-	-	168.744
Machinery and equipment	314.260	22.031	(1.798)	1.037	(258)	335.272
Vehicles	63.538	6.529	(2.348)	-	(32)	67.687
Furniture and fixtures	132.795	5.803	(748)	-	(62)	137.788
Leasehold improvements	234.873	11.902	(1.164)	-	(499)	245.112
Construction in progress	2.577	7.112	-	(1.037)	-	8.652
	1.013.281	79.645	(6.058)	-	(851)	1.086.017
Less: Accumulated depreciation						
Land improvements	(1.453)	(148)	-	-	-	(1.601)
Building	(12.577)	(1.958)	-	-	-	(14.535)
Machinery and equipment	(147.277)	(6.688)	1.058	-	72	(152.835)
Vehicles	(29.937)	(2.979)	1.878	-	-	(31.038)
Furniture and fixtures	(89.602)	(4.184)	671	-	14	(93.101)
Leasehold improvements	(84.360)	(5.553)	509	-	63	(89.341)
	(365.206)	(21.510)	4.116	-	149	(382.451)
Net book value	648.075					703.566

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

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

9. Property and equipment (continued)

Had the revalued assets been carried at cost less accumulated depreciation, the carrying amounts of land and buildings would have been as follows as of March 31, 2013 and December 31, 2012, respectively:

	Land and buildings	
	March 31, 2013	December 31, 2012
Cost	**332.331**	**323.196**
Accumulated depreciation	**(35.422)**	**(33.025)**

As of March 31, 2013 and December 31, 2012, the gross carrying amount of property and equipment and intangibles, which are fully depreciated, but still in use, is as follows:

	March 31, 2013	December 31, 2012
Machinery and equipment	**69.727**	68.672
Furniture and fixtures	**65.568**	62.156
Intangible assets and leasehold improvements	**28.151**	27.141
Vehicles	**10.310**	8.344
Land improvements	**470**	405
	174.226	166.718

Pledges and mortgages on assets

As of March 31, 2013 and December 31, 2012, there is no pledge or mortgage on property and equipment of the Group.

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

10. Intangible assets

The movements of intangible assets and related accumulated amortization for the periods ended March 31, 2013 and 2012 are as follows:

	December 31, 2012	**Additions**	**Disposals**	**Effect of change in foreign currencies**	**March 31, 2013**
Cost					
Rights	**11.748**	**494**	**-**	**(2)**	**12.240**
Other intangibles	**31**	**-**	**-**		**31**
	11.779	**494**	**-**	**2**	**12.271**
Accumulated amortization					
Rights	**(8.601)**	**(308)**	**-**	**2**	**(8.907)**
Other intangibles	**(26)**	**-**	**-**	**-**	**(26)**
	(8.627)	**(308)**	**-**	**2**	**(8.933)**
Net book value	**3.152**				**3.338**

	December 31, 2011	**Additions**	**Disposals**	**Effect of change in foreign currencies**	**March 31, 2012**
Cost					
Rights	10.199	180	(6)	(8)	10.365
Other intangibles	31	-	-	-	31
	10.230	180	(6)	(8)	10.396
Accumulated amortization					
Rights	(7.401)	(285)	4	3	(7.679)
Other intangibles	(26)	-		-	(26)
	(7.427)	(285)	4	3	(7.705)
Net book value	2.803				2.691

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

Major part of the rights is software licenses.

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

11. Provisions, contingent assets and liabilities

Other provisions for accruals

As of March 31, 2013 and December 31, 2012, the Group has provision for unused vacation, telephone, electricity, water and other short term liabilities in amount of TL 11.527 and TL 8.350, respectively.

Litigation against the Group

As of March 31, 2013 and December 31, 2012, the total amount of outstanding lawsuits filed against the Group is TL 12.214 and TL 12.391 (in historical terms), respectively. The Group made provisions amounting TL 6.955 and TL 6.880 for the related periods, respectively.

Current period movement of provision for lawsuits is as follows;

	March 31, 2013	March 31, 2012
Beginning	**6.880**	6.818
Provision amount, net	**75**	119
Ending	**6.955**	6.937

Letter of guarantees, mortgages and pledges given by the Group

As of March 31, 2013 and December 31, 2012, breakdown of the guarantees, mortgage and pledges given by the Group is as follows:

	March 31, 2013				
	Total TL equivalent	**TL**	**USD**	**Euro**	**Moroccan Dirham**
A. Total amount of guarantees, pledges and mortgages given in the name of legal entity	***17.018***	***16.399***	***250.000***	-	***799.500***
Guarantee	*17.018*	*16.399*	*250.000*	-	*799.500*
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	-	-	-	-	-
Guarantee	-	-	-	-	-
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	**17.018**	**16.399**	**250.000**	**-**	**799.500**

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

11. Provisions, contingent assets and liabilities (continued)

	December 31, 2012				
	Total TL equivalent	**TL**	**USD**	**Euro**	**Moroccan Dirham**
A. Total amount of guarantees, pledges and mortgages given in the name of legal entity	***16.817***	***16.203***	***250.000***	-	***799.500***
Guarantee	*16.817*	*16.203*	*250.000*	-	*799.500*
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	***2.261***	-	-	***961.254***	-
Guarantee	*2.261*	-	-	*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	**19.078**	**16.203**	**250.000**	**961.254**	**799.500**

Insurance coverage on assets

As of March 31, 2013 and December 31, 2012, insurance coverage on assets of the Group is TL 751.460 and TL 721.157 respectively.

12. 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 3.129 (full TL) and 3.034 (full TL) at March 31, 2013 and December 31, 2012, 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 are recognized under actuarial gain/loss fund regarding employee termination benefits in the equity. Reserve for employee termination benefits are calculated as of March 31, 2013 and December 31, 2012.

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

12. Employee termination benefits (continued)

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

	January 1 – March 31, 2013	January 1 – March 31, 2012
Current service cost (Note 17)	**1.751**	1.132
Financial expense of employee termination benefit	**815**	588
Total expense	**2.566**	1.869

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

	January 1 – March 31, 2013	January 1 – March 31, 2012
Beginning balance	**36.711**	24.085
Financial expense of employee termination benefit	**815**	588
Current service cost	**1.751**	1.132
Benefits paid	**(1.627)**	(753)
Balance at period end	**37.650**	25.052

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

	March 31, 2013	December 31, 2012
Discount rate	**%9**	%9
Expected rate of salary/limit increases	**%5**	%5

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

13. Other assets and liabilities

a) Other current assets

	March 31, 2013	December 31, 2012
Advances given	**95.300**	53.214
Prepaid expenses	**14.030**	8.666
VAT receivable	**7.504**	7.556
Other	**2.561**	1.979
	119.395	71.415

b) Other non-current assets

	March 31, 2013	December 31, 2012
Advances given for tangible asset purchases	**11.252**	5.135
Deposits and advances given	**2.926**	2.666
Other	**406**	670
	14.584	8.471

c) Other current liabilities

	March 31, 2013	December 31, 2012
Income tax and social security premiums payables	**23.545**	10.524
VAT payable	**16.201**	13.633
Other tax and funds payable	**12.028**	13.492
Advances taken	**1.996**	2.166
Other	**4.225**	2.734
	57.995	42.549

As of March 31, 2013 and December 31, 2012, the Group does not have any other long-term liability.

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

14. Shareholders' equity

a) Share capital and capital reserves

As of March 31, 2013 and December 31, 2012, the breakdown of shareholders and their ownership percentages in the Company are summarized as follows:

	January 1 – March 31, 2013		January 1 – December 31, 2012	
	Historical amount	**%**	Historical amount	%
Mustafa Latif Topbaş	**23.948**	**15,8**	25.466	16,8
Ahmet Afif Topbaş	**13.700**	**9,0**	14.571	9,6
Abdulrahman A. El Khereiji	**6.831**	**4,5**	6.831	4,5
Firdevs Çizmeci	**1.750**	**1,1**	1.750	1,1
Fatma Fitnat Topbaş	**1.518**	**1,0**	-	-
Ömer Hulusi Topbaş	**180**	**0,1**	180	0,1
Ahmet Hamdi Topbaş	**100**	**0,1**	-	-
Halka açık olan kısım	**103.773**	**68,4**	103.002	67,9
	151.800	**100**	151.800	100

The Company's share capital is fully paid and consists of 151.800.000 (December 31, 2012 – 151.800.000) shares of TL 1 nominal value each.

Revaluation surplus

As of March 31, 2013 and December 31, 2012, the Group has revaluation surplus amounting TL 78.323 (December 31, 2012 – TL 78.323) related to revaluation of land and buildings. The revaluation surplus is not available for distribution to shareholders.

b) Restricted reserves assorted 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.

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

14. Shareholders' equity (continued)

Listed companies are subject to dividend requirements regulated by the CMB as follows:

In accordance with the CMB 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 CMB 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.

Dividend distrubition policy of the Company is in line with the CMB Law numbered 6362 dated December 30, 2012.

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

As of March 31, 2013 and December 31, 2012 legal reserves, prior year profits and net income for the period in statutory accounts of the Company are as follows:

	March 31, 2013	December 31, 2012
Legal reserves	**103.211**	103.211
Prior year profits	**474.539**	128.679
Net income for the period	**104.492**	345.860
	682.242	577.750

As of March 31, 2013 net profit per the Company's statutory books is TL 104.492 and net profit per consolidated financial statements in accordance with CMB accounting standards is TL 97.235

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

15. Sales and cost of sales

a) Net sales

The Group's net sales for the periods ended March 31, 2013 and 2012 are as follows:

	January 1 - March 31, 2013	January 1 - March 31, 2012
Sales	**2.805.921**	2.437.053
Sales return (-)	**(10.429)**	(9.085)
	2.795.492	2.427.968

b) Cost of sales

	January 1 - March 31, 2013	January 1 - March 31, 2012
Beginning inventory	**478.323**	400.755
Purchases	**2.364.527**	2.071.726
Ending inventory (-)	**(481.717)**	(423.217)
	2.361.133	2.049.264

16. Marketing, selling and distribution and general and administrative expenses

a) Marketing, selling and distribution expenses

	January 1 - March 31, 2013	January 1 - March 31, 2012
Personnel expenses	**125.356**	101.562
Rent expenses	**68.018**	57.804
Depreciation and amortization expenses	**23.844**	20.106
Electricity, water and communication expenses	**13.448**	10.914
Packaging expenses	**13.646**	12.483
Trucks fuel expense	**10.423**	8.991
Advertising expenses	**8.475**	7.081
Maintenance and repair expenses	**5.176**	4.942
Provision for employee termination benefit	**1.453**	924
Other selling and marketing expenses	**10.548**	9.310
	280.387	234.117

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

16. Marketing, selling and distribution and general and administrative expenses (continued)

b) General and administrative expenses

	January 1 - March 31,2013	January 1 - March 31, 2012
Personnel expenses	**23.630**	22.544
Depreciation and amortization expenses	**2.299**	1.689
Motor vehicle expenses	**1.813**	1.611
Legal and consultancy expenses	**2.263**	1.543
Money collection expenses	**1.330**	1.183
Communication expenses	**215**	202
Provision for employee termination benefits	**298**	208
Office supplies expenses	**169**	136
Other general and administrative expenses	**4.762**	4.680
	36.779	33.796

17. Expenses as to nature

a) Depreciation and amortization expenses

	January 1 - March 31,2013	January 1 - March 31, 2012
Marketing, selling and distribution expenses	**23.844**	20.106
General and administrative expenses	**2.299**	1.689
	26.143	21.795

b) Personnel expenses

	January 1 - March 31,2013	January 1 - March 31, 2012
Wages and salaries	**130.419**	108.392
Social security premiums - employer contribution	**18.567**	15.714
Provision for employee termination benefits (Note 12)	**1.751**	1.132
	150.737	125.238

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

18. Other operating income and expense

a) Other operating income

	January 1 - March 31,2013	January 1 - March 31, 2012
Gain on sale of scraps	**1.708**	1.598
Profit from sale of property and equipment	**-**	52
Other income and profit	**1.018**	699
	2.726	2.349

b) Other operating expenses

	January 1 - March 31,2013	January 1 - March 31, 2012
Loss from sale of property and equipment	**459**	-
Provision expenses	**230**	147
Other	**221**	206
	910	353

19. Financial income

	January 1 - March 31,2013	January 1 - March 31 2012
Financial income		
Income on profit share account - deposits	**5.706**	4.719
Foreign exchange gains	**725**	373
Total financial income	**6.431**	5.092

20. Financial expenses

	January 1 - March 31,2013	January 1 - March 31 2012
Financial expense		
Foreign exchange losses	**1.120**	1.943
Finance charge on employee termination benefit	**815**	588
Banking charges	**90**	31
Other financial expenses	**101**	92
Total financial expenses	**2.126**	2.654

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

21. Tax assets and liabilities

As of March 31, 2013 and December 31, 2012, provision for taxes of the Group is as follows:

	March 31, 2013	December 31, 2012
Current period tax provision	**26.495**	87.268
Prepaid taxes	**(533)**	(64.571)
Corporate tax payable	**25.962**	22.697

In Turkey, as of March 31, 2013 corporate tax rate is 20% (December 31, 2012- 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 March 31, 2013 the corporate tax rate is %30 (December 31, 2012 - %30) where the consolidated subsidiary of the Company, BIM Stores SARL operates. In Egypt, as of March 31, 2013 the corporate tax rate is 20% (December 31, 2012 - %20) where the consolidated subsidiary of the Company, BIM Stores LLC operates.

There is no taxable temporary differences related with the consolidated subsidiaries for which the Company recognised deferred tax liability (December 31, 2012: None).

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 tax rate 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 March 31, 2013 and 2012, temporary differences based for deferred tax and deferred tax asset and liability calculated by using applicable tax rates are as follows:

	Balance sheet		Comprehensive income statement	
	March 31, 2013	December 31, 2012	**January 1 - March 31, 2013**	January 1 - March 31,2012
Deferred tax liability				
Restatement effect on non-monetary items in accordance with IAS 29	**18.870**	19.081	**(211)**	262
The effect of the revaluation of land and buildings	**4.538**	4.538	**-**	-
Other adjustments	**976**	886	**90**	593
Deferred tax asset				
Reserve for employee termination benefit	**(7.530)**	(7.343)	**(187)**	(235)
Other adjustments	**(5.954)**	(5.850)	**(104)**	382
Currency translation difference		-	**(4)**	(19)
Deferred tax	**10.900**	11.312	**(416)**	983

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

21. Tax assets and liabilities (continued)

Deferred tax is presented in financial statements as follows:

	March 31, 2013	December 31, 2012
Deferred tax asset	**428**	392
Deferred tax liability	**(11.328)**	(11.704)
Net tax liability	**(10.900)**	(11.312)

Movement of net deferred tax liability for the periods ended March 31, 2013 and 2012 are as follows:

	January 1 – March 31, 2013	January 1 – March 31, 2012
Opening balance	**11.312**	10.163
Deferred tax expense/(income) recognized in statement of comprehensive income	**(416)**	390
Revaluation and actuarial gain/loss difference recognized in statement of other comprehensive income	**-**	563
Foreign currency translation differences	**4**	19
Balance at the end of period	**10.900**	11.135

Tax reconciliation

	January 1 – March 31, 2013	January 1 – March 31, 2012
Net income before tax	**123.314**	115.225
Corporation tax at effective tax rate of 20%	**(24.663)**	(23.045)
Disallowable expenses	**(621)**	(182)
Effect of non-tax deductible and tax exempt items	**46**	161
Tax rate effect of the consolidated subsidiary	**(484)**	(326)
Other	**(357)**	(980)
Provision for taxes	**(26.079)**	(24.372)
- Current	**(26.495)**	(23.982)
- Deferred	**416**	(390)

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

22. Earnings per share

Basic earnings per share 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.

There is no movement in the number of shares as of March 31, 2013 and 2012.

Number of shares	**January 1 – March 31, 2013**	January 1 – March 31, 2012
Average number of stocks during the period	**151.800.000**	151.800.000
Net profit of the period	**97.235**	90.853
Profit per share (full TL)	**0,641**	0,599

23. Related party disclosures

a) Due to related parties

Due to related parties balances as of March 31, 2013 and December 31, 2012 are as follows:

Payables related to goods and services received:

	March 31, 2013	December 31, 2012
Ak Gıda A.Ş. (Ak Gıda) (1)	**97.784**	87.042
Başak Gıda Dağıtım ve Pazarlama A.Ş. (Başak) (1)	**40.653**	36.578
Hedef Tüketim Ürünleri San ve Dış Tic. A.Ş. (Hedef) (1)	**13.100**	22.088
Turkuvaz Plastik ve Tem. Ürün. Tic. A.Ş (Turkuvaz) (1)	**20.198**	19.480
İdeal Standart İşletmecilik ve Mümessillik San. ve Tic. A.Ş. (İdeal Standart) (2)	**2.537**	2.256
Esas Paz. ve Tic. A.Ş. (Esas) (1)	**12**	2.788
Bahar Su San. ve Tic. A.Ş. (Bahar Su) (1)	**896**	752
Bahariye Mensucat San. Ve tic. A.Ş. (Bahariye) (1)	**564**	-
Seher Gıda Paz. San. ve Tic. A.Ş. (Seher) (1)	**241**	270
Natura Gıda Sanayi ve Ticaret A.Ş. (Natura) (1) (*)	**223**	50
Proline Bilişim Sistemleri ve Ticaret A.Ş. (1)	**123**	581
	176.331	171.885

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

(*) Advance given to Natura Gıda Sanayi ve Ticaret A.Ş.amounting to TL 54.413 as of March 31, 2013 is included in other current assets. (December 31, 2012:18.359 TL)

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

23. Related party disclosures (continued)

b) Related party transactions

For the periods ended March 31, 2013 and 2012, summary of the major transactions with related parties are as follows:

(i) Purchases from related parties during the periods ended March 31, 2013 and 2012 are as follows:

	January 1 – March 31, 2013	January 1 – March 31, 2012
Ak Gıda (1)	**189.578**	165.361
Başak (1)	**90.014**	76.797
Turkuvaz (1)	**27.375**	19.750
Hedef (1)	**22.540**	15.557
Natura (1)	**5.641**	5.307
İdeal Standart (2)	**2.408**	2.811
Bahar Su (1)	**1.053**	990
Bahariye (1)	**526**	534
Seher (1)	**344**	312
Proline (1)	**123**	530
Esas (1)	**-**	3.010
	339.602	290.959

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

(ii) For the periods ended March 31, 2013 and 2012 salaries, bonuses and compensations provided to board of directors and key management comprising of 85 and 79 personnel, respectively, are as follows:

	January 1 – March 31, 2013	January 1 – March 31, 2012
Short-term benefits	**5.049**	4.508
Long-term defined benefits	**1.174**	1.179
Total benefits	**6.223**	5.687

24. 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	**312.151**	184.224
Financial liabilities		**-**	-
	Variable profit share bearing financial instruments		
Financial assets		**-**	-
Financial liabilities		**-**	-

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

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

Credit risk

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

Credit risk table (Current period)

	Credit card receivables		Trade and other receivables		Bank deposits		Financial investments	
	Related Party	Other Party	Related Party	Other Party	Related Party	Other party	Related Party	Other party
Maximum credit risk exposures as of report date (A+B+C+D+E)	**-**	**317.571**	**-**	**1.773**	**-**	**400.123**	**12.590**	**-**
- Maximum risk secured by guarantees	-	-	-	-	-	-	-	-
A. Net book value of financial assets neither overdue nor impaired	-	317.571	-	1.773	-	400.123	12.590	-
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	-	-	-	-	-	-	-
- The part under guarantee with collateral etc	-	-	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-	-	-
- Past due (gross carrying amount)	-	-	-	365	-	-	-	-
- Impairment	-	-	-	(365)	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-	-	-
- Impairment	-	-	-	-	-	-	-	-
- The part of net value under guarantee with collateral etc	-	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-	-

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

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

Credit risk table (Prior period)

	Credit card receivables		Trade and other receivables		Bank deposits		Financial investment	
	Related Party	Other Party	Related Party	Other Party	Related Party	Other party	Related Party	Other party
Maximum credit risk exposures as of report date (A+B+C+D+E)	**-**	**312.344**	**-**	**1.804**	**-**	**306.904**	**12.590**	-
- Maximum risk secured by guarantees	-	**-**	**-**	**-**	**-**	**-**	**-**	-
• Net book value of financial assets neither overdue nor impaired	-	312.344	-	1.804	-	306.904	12.590	
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	-	-	-	-	-	-	-
- The part under guarantee with collateral etc	-	-	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-	-	-
- Past due (gross carrying amount)	-	-	-	365	-	-	-	-
- Impairment	-	-	-	(365)	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-	-	-
- Impairment	-	-	-	-	-	-	-	-
- The part of net value under guarantee with collateral etc	-	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-	-

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

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

There is a insignificant amount of foreign currency denominated assets and liabilities so the Company does not use derivative financial instruments or future contracts to reduce the risk of foreign currency.

Foreign currency position

As of March 31, 2013 and December 31, 2012, the Group's foreign currency position is as follows:

	March 31,2013				December 31,2012			
	TL equivalent	**USD**	**Euro**	**GBP**	TL equivalent	USD	Euro	GBP
1. Trade receivables	-	-	-	-	-	-	-	-
2a. Monetary financial assets (including cash, bank accounts)	**1.221**	**29.379**	**500.017**	**3.121**	253	51.105	57.267	9.637
			-	**-**			-	-
2b. Non-monetary financial assets	**-**	**-**	**-**	**-**	-	-	-	-
3. Other	**-**	**-**	**-**	**-**	-	-	-	-
4. Current assets (1+2+3)	**1.221**	**29.379**	**500.017**	**3.121**	**253**	**51.105**	**57.267**	**9.637**
5. Trade receivables	**-**	**-**	**-**	**-**	-	-	-	-
6a. Monetary financial assets	**-**	**-**	**-**	**-**	-	-	-	-
6b. Non-monetary financial assets	**-**	**-**	**-**	**-**	-	-	-	-
7. Other	**51**	**26.300**	**1.278**	**-**	50	26.300	1.278	-
8. Non-current assets (5+6+7)	**51**	**26.300**	**1.278**	**-**	**50**	**26.300**	**1.278**	**-**
9. Total assets(4+8)	**1.272**	**55.679**	**501.295**	**3.121**	**303**	**77.405**	**58.545**	**-**
10. Trade payables	-	-	-	-	-	-	-	-
11. Financial liabilities	-	-	-	-	-	-	-	-
12a. Monetary other liabilities	-	-	-	-	-	-	-	-
12b. Non-monetary other liabilities	-	-	-	-	-	-	-	-
13. Current liabilities (10+11+12)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
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)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
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) (IFRS 7.b23) (=1+2a+5+6a-10-11-12a-14-15-16a)	**1.272**	**55.679**	**501.295**	**3.121**	**303**	**77.405**	**58.545**	**9.637**
22. Total fair value of financial instruments used for foreign currency hedging	-	-	-	-	-	-	-	-
23. Export	-	-	-	-	-	-	-	-
24. Import	-	-	-	-	-	-	-	-

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

24. 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 March 31, 2013 and December 31, 2012:

	March 31, 2013	**Exchange rate sensitivity analysis**	
			Current Period
		Profit/loss	**Profit/loss**
		Increase in exchange rate	**Decrease in exchange rate**
	Increase/Decrease of 10% in value of U.S Dollar against TL:		
1-	U.S Dollar net asset/(liability)	**10**	**(14)**
2-	Protected part from U.S Dollar risk (-)	**-**	**-**
3-	**U.S Dollar net effect (1+2)**	**10**	**(14)**
	Increase/Decrease of 10% in value of Euro against TL:		
4-	Euro net asset/(liability)	**116**	**(14)**
5-	Protected part from Euro risk (-)	**-**	**-**
6-	**Euro net effect (4+5)**	**116**	**(14)**
	Increase/Decrease of 10% in value of GBP against TL :		
7-	GBP net asset/(liability)	**1**	**(3)**
8-	Protected part from GBP risk (-)	**-**	**-**
9-	**GBP net effect (7+8)**	**1**	**(3)**
	Total (3+6+9)	**127**	**(31)**

	December 31, 2012	**Exchange rate sensitivity analysis**	
			Current Period
		Profit/loss	**Profit/loss**
		Increase in exchange rate	**Decrease in exchange rate**
	Increase/Decrease of 10% in value of U.S Dollar against TL:		
1-	U.S Dollar net asset/(liability)	14	(14)
2-	Protected part from U.S Dollar risk (-)	-	-
3-	**U.S Dollar net effect (1+2)**	14	(14)
	Increase/Decrease of 10% in value of Euro against TL:		
4-	Euro net asset/(liability)	14	(14)
5-	Protected part from Euro risk (-)	-	-
6-	**Euro net effect (4+5)**	14	(14)
	Increase/Decrease of 10% in value of GBP against TL :		
7-	GBP net asset/(liability)	3	(3)
8-	Protected part from GBP risk (-)	-	-
9-	**GBP net effect (7+8)**	3	(3)
	Total (3+6+9)	31	(31)

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

24. 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 March 31, 2013 and December 31, 2012, maturities of undiscounted trade payables and financial liabilities are as follows:

March 31, 2013

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	1.139.862	1.144.091	1.144.091	-	-	-
Due to related parties	176.331	176.980	176.980	-	-	-

December 31, 2012

Contractual maturities	Book value	Total cash outflow	Less than 3 months	Between 3-12 months	Between 1-5 year	More than 5 year
Non derivative financial liabilities						
Trade payables	1.026.151	1.029.935	1.029.935	-	-	-
Due to related parties	171.885	172.532	172.532	-	-	-

25. 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.

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.

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

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.

26. Subsequent Events

None.

27. 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 March 31, 2013 and December 31, 2012.