BİM BİRLEŞİK MAĞAZALAR A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2013 TOGETHER WITH AUDITOR'S REVIEW REPORT

(ORIGINALLY ISSUED IN TURKISH)

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REVIEW REPORT ORIGINALLY ISSUED IN TURKISH

REPORT ON REVIEW OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the Board of Directors of
BİM Birleşik Mağazalar A.Ş.

Introduction

1. We have reviewed the accompanying consolidated balance sheet of BİM Birleşik Mağazalar A.Ş. and Birleşik Mağazalar A.Ş. (collectively referred to as the "Group") as of 30 June 2013, and the related consolidated statements of income, of comprehensive income, of changes in equity and of cash flows for the six-month period then ended. The Group management is responsible for the preparation and presentation of these consolidated interim financial statements in accordance with the financial reporting standards accepted by the Capital Markets Board. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review

Scope of review

2. We conducted our review in accordance with the principles and standards on the review of interim financial statements on the auditing standards issued by the Capital Markets Board. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with independent auditing standards issued by the Capital Markets Board and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an independent audit opinion.

Conclusion

3. Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements are not properly prepared, in all material respects, in accordance with financial reporting standards accepted by the Capital Markets Board (Note 2).

Other matter

4. The financial statements of the Company as of 31 December 2012 were audited by other auditors whose report, dated 5 March 2013, expressed an unqualified opinion on those statements.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers

Adnan Akan, SMMM
Partner

Istanbul, 23 August 2013

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

BİM BİRLEŞİK MAĞAZALAR A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2013

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BİM BİRLEŞİK MAĞAZALAR A.Ş.

CONSOLIDATED BALANCE SHEETS
AT 30 JUNE 2013 AND 31 DECEMBER 2012

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

ASSETS

	Notes	30 June 2013	Restated (Note 2) 31 December 2012
Current assets		**1.439.069**	**1.257.369**
Cash and cash equivalents	**4**	**367.270**	**388.222**
Trade receivables	**7**	**311.235**	**312.344**
- Due from related parties		-	-
- Trade Receivables, Other Parties		311.235	312.344
Other receivables	**8**	**47.769**	**20.243**
- Due from related parties		46.432	18.439
- Other receivables, Other parties		1.337	1.804
Inventory	**9**	**643.786**	**483.584**
Prepaid expenses	**13**	**11.190**	**8.666**
Other current assets	**15**	**57.819**	**44.310**
Non-current assets		**948.925**	**876.018**
Financial investments	**5**	**12.590**	**12.590**
Property and equipment	**10**	**917.364**	**851.413**
Intangible assets	**11**	**3.436**	**3.152**
- Other intangible assets		3.436	3.152
Prepaid expenses	**13**	**12.034**	**5.794**
Deferred tax assets	**24**	**514**	**392**
Other non-current assets	**15**	**2.987**	**2.677**
Total assets		**2.387.994**	**2.133.387**

The accompanying notes form an integral part of these consolidated interim financial statements.

BİM BİRLEŞİK MAĞAZALAR A.Ş.

CONSOLIDATED BALANCE SHEETS
AT 30 JUNE 2013 AND 31 DECEMBER 2012

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

LIABILITIES AND EQUITY

	Notes	30 June 2013	Restated (Note 2) 31 December 2012
Current liabilities		**1.570.486**	**1.288.960**
Short term financial liabilities	**6**	**15.000**	**10.448**
Trade payables		**1.463.797**	**1.198.036**
- Due to Related parties	26	182.506	171.885
- Due to Third Parties	7	1.281.291	1.026.151
Other Payables		**42.383**	**37.404**
- Due to Related Parties		-	-
- Due to Third Parties	8	42.383	37.404
Deferred Revenue		**3.149**	**2.166**
Current Provisions		**18.965**	**15.230**
- Provision for Employee Benefits	12	7.505	5.584
- Other Short term Provisions		11.460	9.646
Current Income Tax Liabilities	**24**	**24.945**	**22.697**
Other Current Liabilities	**15**	**2.247**	**2.979**
Non-current Liabilities		**49.056**	**48.415**
Non-current provisions		**38.263**	**36.711**
- Provision for Employee Benefits	14	38.263	36.711
Deferred Tax Liabilities	**24**	**10.793**	**11.704**
Equity		**768.452**	796.012
Equity attributable to parent		**768.452**	**796.012**
Paid-in Share Capital	**16**	**303.600**	**151.800**
Other Comprehensive Income/Expense not to be Reclassified to Profit or Loss		**60.221**	**60.221**
- Property and equipment revaluation reserve	16	78.323	78.323
- Revaluation gain/loss on defined benefit plans	2.5.i	(18.102)	(18.102)
Other Comprehensive Income/Expense to be Reclassified to Profit or Loss		**2.441**	**(158)**
- Currency Translation Difference		2.441	(158)
Restricted Reserves		**124.463**	**103.211**
Retained Earnings		**87.776**	**149.140**
Net Income For The Period		**189.951**	**331.798**
Total Liabilities and Equity		**2.387.994**	**2.133.387**

BİM BİRLEŞİK MAĞAZALAR A.Ş.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE INTERIM PERIODS 1 JANUARY - 30 JUNE 2013 AND 2012

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

				Restated (Note 2)	
	Notes	**1 January 2013 - 30 June 2013**	**1 April 2013 – 30 June 2013**	1 January 2012 - 30 June 2012	1 April 2012 - 30 June 2012
INCOME OR LOSS					
Revenue	17	**5.629.087**	**2.833.595**	4.780.849	2.352.881
Cost of sales (-)	17	**(4.752.701)**	**(2.391.568)**	(4.032.574)	(1.983.310)
GROSS PROFIT		**876.386**	**442.027**	748.275	369.571
Marketing Expenses (-)	18	**(571.347)**	**(290.960)**	(487.131)	(253.014)
General Administrative Expenses (-)	18	**(81.650)**	**(44.871)**	(69.984)	(36.188)
Other Operating Income	20	**5.330**	**2.604**	4.529	2.232
Other Operating Expense (-)	20	**(1.103)**	**(652)**	(841)	(488)
OPERATING PROFIT		**227.616**	**108.148**	194.848	82.113
Income from investing activities	23	**4.009**	**4.009**	3.212	3.160
Expense from investing activities	23	**(966)**	**(507)**	-	-
OPERATING PROFIT BEFORE FINANCIAL EXPENSES		**230.659**	**111.650**	198.060	85.273
Financial Income	21	**14.278**	**7.847**	9.066	3.974
Financial Expense (-)	22	**(3.517)**	**(1.391)**	(4.836)	(2.182)
PROFIT BEFORE TAX FROM CONTINUED OPERATIONS		**241.420**	**118.106**	202.290	87.065
- Current tax expense	24	**(52.469)**	**(25.974)**	(42.035)	(18.053)
- Deferred tax income /(expense)	24	**1.000**	**584**	(145)	245
PROFIT FROM CONTINUED OPERATIONS		**189.951**	**92.716**	160.110	69.257
NET INCOME FOR THE PERIOD		**189.951**	**92.716**	160.110	69.257
Profit for the Period attributable to					
Non-controlling interest		-	-	-	-
Equity holders of the parent		**189.951**	**92.716**	160.110	69.257
Earnings per share					
Earnings per share from continued operations (Full TRY)		**0,626**	**0,305**	0,527	0,228
Earnings per share from discontinued operations		-	-	-	-
Other comprehensive income					
Items not to be classified to profit or loss					
Actuarial gain/loss from defined benefit plans		-	-	-	-
Gain/ loss from revaluation of property, plant and equipment		-	-	-	-
Items to be classified to profit or loss		**2.599**	**3.056**	2.607	(586)
Currency translation difference		**2.599**	**3.056**	923	101
Change in financial investment revaluation reserve		-	-	1.684	(687)
Other comprehensive income		**2.599**	**3.056**	2.607	(586)
Total comprehensive income		**192.550**	**95.772**	162.717	68.671
Total comprehensive income attributable to					
Non-controlling interest		-	-	-	-
Equity holders of the parent		**192.550**	**95.772**	162.717	68.671

The accompanying notes form an integral part of these consolidated interim financial statements.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

BİM BİRLEŞİK MAĞAZALAR A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE INTERIM PERIODS 1 JANUARY - 30 JUNE 2013 AND 2012

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

		Other comprehensive income not to be reclassified to profit or loss		Other comprehensive income to be reclassified to profit or loss			Retained earnings		
	Paid-in share capital	**Tangible assets fair value reserve**	**Actuarial gain/ loss from employee benefits**	**Currency translation difference**	**Financial assets fair value reserve**	**Restricted reserves**	**Retained earnings**	**Net income for the period**	**Total Equity**
Balance at 31 December 2011	151.800	15.704	-	(412)	-	81.449	68.701	298.910	616.152
Adjustments in accordance with change in accounting policies (Note 2.5.i)	-		(9.469)	-	-	-	272	359	(8.838)
Transfer to prior year profits	-	-	-	-	-	-	299.269	(299.269)	-
Transfers	-	-	-	-	-	21.762	(21.762)	-	-
Dividend	-	-	-	-	-	-	(197.340)	-	(197.340)
Net income for the period	-	-	-	-	-	-	-	160.110	160.110
Other comprehensive income	-	-	-	923	1.684	-	-	-	2.607
Total comprehensive income	-	-	-	923	1.684	-	-	160.110	162.717
Balance at 30 June 2012	**151.800**	**15.704**	**(9.469)**	**511**	**1.684**	**103.211**	**149.140**	**160.110**	**572.691**
Balance at 31 December 2012	**151.800**	**78.323**	**-**	**(158)**	**-**	**103.211**	**148.509**	**331.321**	**813.006**
Adjustments in accordance with change in accounting policies (Note 2.5.i)			**(18.102)**				**631**	**477**	**(16.994)**
Transfer to prior year profits	**-**	**-**		**-**	**-**	**-**	**331.798**	**(331.798)**	**-**
Transfers						**21.252**	**(21.252)**	**-**	**-**
Non cash capital increase (Note 16)	**151.800**	**-**	**-**				**(151.800)**		**-**
Dividend (Note 16)	**-**	**-**	**-**	**-**	**-**		**(220.110)**	**-**	**(220.110)**
Net income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**189.951**	**189.951**
Other comprehensive income	**-**	**-**	**-**	**2.599**	**-**		**-**	**-**	**2.599**
Total comprehensive income	**-**	**-**	**-**	**2.599**	**-**	**-**	**-**	**189.951**	**192.550**
Balance at 30 June 2013	**303.600**	**78.323**	**(18.102)**	**2.441**	**-**	**124.463**	**87.776**	**189.951**	**768.452**

The accompanying notes form an integral part of these consolidated interim financial statements.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

BİM BİRLEŞİK MAĞAZALAR A.Ş.

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE INTERIM PERIODS ENDED 30 JUNE 2013 AND 2012

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

	Notes	**1 January 2013 30 June 2013**	Restated (Note 2) 1 January 2012 30 June 2012
A. CASH FLOWS FROM OPERATING ACTIVITIES		**303.991**	139.698
Profit for the period		**189.951**	160.110
Adjustments to reconcile profit for the period		**103.385**	80.616
Depreciation and amortisation	10,11,19	53.269	44.872
Provision / (reversal) for impairment of inventories	9	1.610	1.154
Allowance for doubtful receivables	8	12	-
Provision for employment termination benefits	14	5.133	3.430
Provision for unused vacation	12	1.921	-
Legal provisions	12	407	411
Other provisions		1.407	746
Adjustments related to interest income/expense	21	(9.782)	(8.982)
Adjustments for tax income/ losses	24	51.469	42.180
(Gain)/Loss on sale of property and equipment	23	966	(552)
Other adjustments related to cash flows arising from investing and financing activities	23	(4.009)	(2.660)
Other adjustments related to profit/loss reconciliation		982	17
Changes in net working capital		**60.876**	(56.551)
Increases/decreases in inventories	9	(161.812)	(109.224)
Increases/decreases in trade receivables	7	1.109	(4.322)
Increases/decreases in other assets	15	(44.848)	(11.384)
Increases/decreases in trade payables	7	265.761	70.093
Increases/decreases in other payables	15	4.247	(98)
Increases/decreases in net working capital	14	(3.581)	(1.616)
Net cash generated from operating activities		**354.212**	184.175
Income taxes paid	24	(50.221)	(44.513)
Collection of doubtful receivables	8	-	36
B. CASH FLOWS FROM INVESTING ACTIVITIES		**(111.184)**	(142.165)
Cash outflows from the acquisition of shares in other entities or funds or debt instruments		-	(20.166)
Proceeds from sale of tangible and intangible assets	10,11,23	2.792	4.147
Purchases of tangible and intangible assets	10,11	(120.831)	(137.454)
Cash advances given	13	(5.970)	(4.085)
Dividend income	23	4.009	2.660
Profit share received	4, 21	8.816	12.733
C. CASH FLOWS FROM FINANCING ACTIVITIES		**(215.558)**	(197.340)
Proceeds from financial liabilities	6	4.552	-
Dividends paid	16	(220.110)	(197.340)
NET DECREASE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES (A+B+C)		**(22.751)**	(199.807)
D. EFFECTS OF CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS		**833**	2.470
NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**(21.918)**	(197.337)
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	**386.958**	360.592
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(A+B+C+D+E)	4	**365.040**	163.255

The accompanying notes form an integral part of these consolidated interim financial statements.

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

1. Organization and nature of operations of the Group

BİM Birleşik Mağazalar Anonim Şirketi ("BİM" or "the Company") was established on 31 May 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 19 May 2008 with 100% ownership in Morocco which is engaged in hard discount retail sector and started to operate on 11 April 2009. BIM Stores SARL financial statements are consolidated by using the full consolidation method as of 31 June 2013.

The Company established a new company named BIM Stores LLC on 24 July 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 30 June 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 23 August 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 30 June 2013 and 2012, the average number of employees in accordance with their categories is shown below:

	1 January- 30 June 2013	1 January- 30 June 2012
Office personnel	**1.506**	1.373
Warehouse personnel	**2.511**	2.228
Store personnel	**18.807**	16.813
Total	**22.824**	20.414

2. Basis of preparation of financial statements

2.1 Basis of presentation:

The accompanying interim consolidated financial statements are prepared in accordance with the Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, interim consolidated financial statements are prepared in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") and its addendum and interpretations ("IFRIC") issued by Public Oversight Accounting and Auditing Standards Authority ("POAASA") Turkish Accounting Standards Boards.

The Group prepared its consolidated interim financial statements for the period ended 30 June 2013 in accordance with the TAS 34 "Interim financial reporting" in the framework of the Communiqué Serial: XII and numbered 14.1 and its related announcements. The interim consolidated financial statements and its accompanying notes are presented in compliance with the format recommended by CMB, including its mandatory information.

In compliance with the TAS 34, entities have preference in presenting their interim consolidated financial statements whether full set or condensed. In this framework, Group preferred to present its interim consolidated financial statements in full set.

The Company maintains its accounting records and prepares its statutory financial statements in accordance with the Turkish Commercial Code (the "TCC"), tax legislation and the uniform chart of accounts issued by the Ministry of Finance. Subsidiaries, joint ventures and associates operating in foreign countries have prepared their statutory financial statements in accordance with the laws and regulations of the country in which they operate. The interim consolidated financial statements, except for the financial asset and liabilities presented with their fair values, are maintained under historical cost conversion in TRY. These interim consolidated financial statements are based on the statutory records, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the TAS/TFRS.

Preparation of Financial Statements in Hyperinflationary Periods

In accordance with the CMB's resolution No: 11/367 issued on 17 March 2005, companies operating in Turkey which prepare their financial statements in accordance with the CMB Accounting Standards (including the application of IFRS) are not subject to inflation accounting effective from 1 January 2005. Therefore, as of 1 January 2005, IAS 29 "Financial Reporting in Hyperinflationary Economies" is not applied in the accompanying consolidated financial statements.

Going concern assumption

The consolidated financial statements including the accounts of the parent company and its subsidiaries have been prepared assuming that the Group will continue as a going concern on the basis that the entity will be able to realize its assets and discharge its liabilities in the normal course of business.

2. Basis of preparation of financial statements (Continued)

2.2 New and amended International Financial Reporting Standards

The accounting policies adopted in preparation of the consolidated financial statements as at 30 June 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 1 January 2013. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

a) In accordance with UMS/TMS 8 paragraph 28, Standards, amendments and IFRIC/TFRICS applicable in annual periods starting from 1 January 2013:

- IAS/TAS 1 (amendment), "Presentation of financial statements", regarding other comprehensive income is effective for annual periods beginning on or after 1 July 2012. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendment affects disclosures only and have no impact on the financial position or performance of the Group.
- IAS 19/TAS (amendment), "Employee benefits", is effective for annual periods beginning on or after 1 January 2013. These amendments eliminate the corridor approach and calculate finance costs on a net funding basis. The standard requires past service cost to be recognized immediately in profit or loss. There is a new term "remeasurement" and remeasurement will be recognized in OCI and no longer be recognized in profit or loss. The effect on financial position and performance of Company of the change has been disclosed in the part of amendments and classifications on 2012 financial statements in note 2.i retroactively.
- IFRS/TFRS 10, "Consolidated financial statements", is effective for annual periods beginning on or after 1 January 2013. This standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The Standard is not applicable for the Group and did not have any impact on the financial position or performance of the Group.
- IFRS/TFRS 11, "Joint arrangements", is effective for annual periods beginning on or after 1 January 2013. This standard provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The Standard is not applicable for the Group and did not have any impact on the financial position or performance of the Group.
- IFRS/TFRS 12, "Disclosures of interests in other entities", is effective for annual periods beginning on or after 1 January 2013. This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance-sheet vehicles. The Standard is not applicable for the Group and did not have any impact on the financial position or performance of the Group.
- IFRS/TFRS 10, 11 and 12 on transition guidance (amendment), is effective for annual periods beginning on or after 1 January 2013. The amendment also provide additional transition relief in IFRS/TFRSs 10, 11 and 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosure related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for the periods before IFRS/TFRS 12 is applied. The Standard is not applicable for the Group and did not have any impact on the financial position or performance of the Group.
- IFRS/TFRS 13, "Fair value measurement", is effective for annual periods beginning on or after 1 January 2013. The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS/TFRSs. This amendment did not have any impact on the financial position or performance of the Group.

2. Basis of preparation of financial statements (Continued)

2.2 New and amended International Financial Reporting Standards (Continued)

- IAS/TAS 27 (revised), "Separate financial statements", is effective for annual periods beginning on or after 1 January 2013. The standard includes the provisions on separate financial statements that are left after the control provisions of IAS/TAS 27 have been included in the new IFRS/TFRS 10. This amendment did not have any impact on the financial position or performance of the Group.

- IAS/TAS 28 (revised), "Associates and joint ventures", is effective for annual periods beginning on or after 1 January 2013. The standard includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS/TFRS 11. The Standard is not applicable for the Group and did not have any impact on the financial position or performance of the Group.

- IFRS/TFRS 7 (amendment), "Financial instruments: Disclosures", on offsetting financial assets and financial liabilities", is effective for annual periods beginning on or after 1 January 2013. The amendment reflects the joint IASB and FASB requirements to enhance current offsetting disclosures. These new disclosures are intended to facilitate comparison between those entities that prepare IFRS/TFRS financial statements and those that prepare US GAAP financial statements. The amendment affects disclosures only and have no impact on the financial position or performance of the Group.

- IFRS/TFRS 1 (amendment), "'First time adoption', on government loans", is effective for annual periods beginning on or after 1 January 2013. The amendment addresses how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to IFRS/TFRS. The Standard is not applicable for the Group and did not have any impact on the financial position or performance of the Group.

- Annual Improvements to IFRS/TFRSs 2011 is effective for annual periods beginning on or after 1 January 2013. Amendments effect five standards: IFRS/TFRS 1, IAS/TAS 1, IAS/TAS 16, IAS/TAS 32 and IAS/TAS 34. This amendment did not have any impact on the financial position or performance of the Group.

- IFRIC/TFRIC 20, "Stripping costs in the production phase of a surface mine" is effective for annual periods beginning on or of 1 January 2013. This interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. The Standard is not applicable for the Company and did not have any impact on the financial position or performance of the Group.

b) In accordance with UMS/TMS 8 paragraph 30, Standards, amendments and interpretations issued but not yet effective and not early adopted by Group.

Standards, amendments and interpretations that has been published as of date approved of condensed financial statements but not been entered in force for current reporting period and not been early performed by Company are as below. Unless otherwise indicated, Company will perform the required changes of the effect on financial statements and notes after new Standards and interpretations enter in force.

- IAS/TAS 32 (amendment), "'Financial instruments: Presentation", on offsetting financial assets and financial liabilities", is effective for annual periods beginning on or after 1 January 2014. The amendment updates the application guidance in IAS/TAS 32, "Financial instruments: Presentation", to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.

- IFRS/TFRS 9, "Financial instruments: classification and measurement", is effective for annual periods beginning on or after 1 January 2015. The standard addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the parts of IAS/TAS 39 that relate to the classification and measurement of financial instruments.

2. Basis of preparation of financial statements (Continued)

2.2 New and amended International Financial Reporting Standards (Continued)

c) The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by POA

The following standards, interpretations and amendments to existing IFRS standards are issued by the IASB but not yet effective up to the date of issuance of the interim financial statements. However, these standards, interpretations and amendments to existing IFRS standards are not yet adapted/issued by the POA, thus they do not constitute part of TFRS. The Group will make the necessary changes to its financial statements after the new standards and interpretations are issued and become effective under TFRS..

- IAS 36 (amendments), "Impairment on assets", is effective for annual periods beginning on or after 1 January 2014. These amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

- IAS 39 (amendments), "Financial instruments: Recognition and measurement", is effective for annual periods beginning on or after 1 January 2014. These amendments address on novation of derivatives and hedge accounting and will allow hedge accounting to continue in a situation where a derivative is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met.

- IFRS 10, (amendment) "Consolidated Financial Statements", IFRS 12 and IAS 27 for investment entities is effective for annual periods beginning on or after 1 January 2014. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an "investment entity" definition and which display particular characteristics. Changes have also been made IFRS 12 to introduce disclosures that an investment entity needs to make.

2.3 Compliance with TAS

The Group prepared its consolidated interim financial statements for the period ended 30 June 2013 in accordance with the TAS 34 "Interim financial reporting" in the framework of the Communiqué Serial: XII and numbered 14.1 and its related announcements. The interim consolidated financial statements and its accompanying notes are presented in compliance with the format recommended by CMB, including the mandatory disclosures.

2.4 Presentation and functional currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity consolidated are expressed in Turkish Lira ("TRY"), which is the functional of the Company and the presentation currency of the Group. 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 TRY exchange rate for purchases of MAD at the balance sheet date, TRY 1 = MAD 4,4401 amounts in the statement of comprehensive income have been translated into TRY, at the average TRY exchange rate for purchases of MAD, is TRY 1 = MAD 4,7060. 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 TRY exchange rate for purchase of EGP at the balance sheet date, TRY 1 = EGP 3,6437, at the average TRY exchange rate for purchases of EGP, is TRY 1 = EGP 3,7599. Differences that occur by the usage of closing and average exchange rates are followed under currency translation differences classified under equity.

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

2. Basis of preparation of financial statements (Continued)

2.5 Comparatives and restatement of prior periods' financial statements

The consolidated financial statements of the Group include comparative financial information to enable the determination of the financial position and performance. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period consolidated financial statements.

In accordance with the decision taken in the CMB meeting numbered 20/670 held on 7 June 2013, and in compliant with the announcement related to the format of financial statements and its accompanying notes, comparative figures have been reclassified to conform to the changes in presentation in the current period.

Restatements for the balance sheet as at 31 December 2012 and for the six-month ended period 30 June 2012.

i) The Impact of amendment in IAS 19 "Employee Benefits"

In accordance with the amendment in the standard, which is effective from 1 January 2013, the actuarial gains/(losses) related to employee benefits are required to be accounted for under other comprehensive income. The group accounted the actuarial gains/ (losses) related to employee benefits for under the consolidated income statement until 31 December 2012. The Group applied the amendment in the standard retrospectively in accordance with the related changes in the accounting policies and the actuarial gains/ (losses) disclosed in the related disclosures have been reversed from the consolidated income statement and accounted for under other comprehensive income. The affect of correction on the prior year balance sheet of the Group is as follows:

	1 January 2012			31 December 2012		
	Before change in accounting policy	**After change in accounting policy**	**Difference**	**Before change in accounting policy**	**After change in accounting policy**	**Difference**
Retained earnings	68.701	68.973	272	148.509	149.140	631
Net profit for the period	298.910	299.269	359	331.321	331.798	477
Actuarial losses arising from employee benefits	-	(9.469)	(9.469)	-	(18.102)	(18.102)
Provision for employment termination benefits	12.648	23.695	11.047	15.468	36.711	21.243
Deferred tax liabilities	10.644	8.435	(2.209)	15.953	11.704	(4.249)

Besides, the actuarial loss of TRY 298 classified under financial expenses on the statement of comprehensive income dated 30 June 2012 and the deferred tax effect of TRY 60 classified under deferred tax expense was withdrawn from the related accounts on the comparative statement of comprehensive income dated 30 June 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)

2.5 Comparatives and restatement of prior periods' financial statements (Continued)

ii) Illustrative financial statement and guidance:

Based on the decision taken on 7 June 2013 by the CMB at its meeting numbered 20/670, a new illustrative financial statement and guidance to it has been issued effective from the interim periods ended after 31 March 2013, which is applicable for the companies that are subject to Communiqué on the Principles of Financial Reporting In Capital Markets. Based on these new illustrative financial statements, a number of changes made at the Company's consolidated balance sheets.

The reclassifications that are made at the Group's consolidated balance sheet as at 31 December 2012 are as follows:

Trade receivables from other parties amounting to TRY 1.804 has been shown on other receivables from other parties,

TRY 8.666 of other current assets which amounting to TRY 8.746 has been shown on prepaid expenses, TRY 80 of other current assets has been shown on other receivables due from related parties,

TRY 5.794 of advances paid for the purchase of tangible asset has been classified to non-current prepaid expenses,

TRY 37,404 of other current liabilities which had a total balance of TRY 39.570 has been classified to other payable to other parties and TRY 2.166 has been classified to deferred revenue.

The debt provision account amounting to TRY 15.230 is classified to other current provision and as current provisions for employee benefits accounts with amounts of TRY 9.646 and TRY 5.584, respectively.

Since the nature of marketing expenses which amounting to TRY 944 to and general and administrative expenses which amounting to TRY 2.292 are the same, they have been netted of with other operating income for the period ended 30 June 2012.

Dividend income amounting to TRY 2.660 and gain on sales of property, plant and equipment amounting to TRY 552, are classified from other income from operating activities to other income from investing activities for the period ended 30 June 2012.

2.6. Summary of Significant Accounting Policies

Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent company BIM and its subsidiaries prepared for the year ended June 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 is 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.

2. Basis of preparation of financial statements (Continued)

2.6. Summary of Significant Accounting Policies (Continued)

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.

Revenue recognition

Sales of Goods

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.

Dividend income

Dividend income is recorded as income of the collection right transfer date. Dividend payables are recognized in the period that the profit distribution is declared.

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 (31 December 2012: 11 days) as of balance sheet date, are carried at amortized. Trade receivables, net of unearned financial income, are measured at amortized cost, using the effective interest rate method, less the unearned financial income. Short duration receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant. Estimate is made for the doubtful provision when the collection of the trace receivable is not probable. If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other operating income.

2. Basis of preparation of financial statements (Continued)

2.6. Summary of Significant Accounting Policies (Continued)

Inventories

Inventories are valued at the lower of cost or 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.

Rebates which generate from sales from ordinary operations are deducted from cost of inventories and associated with cost of sales.

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

Property, plant 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 except for land and construction in progress 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

Expected useful life, residual value and amortisation method are evaluated every year for the probable effects of changes arising in the expectations and are accounted for prospectively

When a revaluated asset is sold, revaluation reserve account is transferred to retained earnings.

2. Basis of preparation of financial statements (Continued)

2.6. Summary of Significant Accounting Policies (Continued)

Intangible assets

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

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

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

For the purposes of assessing impairment, assets are grouped by regions which are determined operationally (cash-generating units).

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,

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.

2. Basis of preparation of financial statements (Continued)

2.6. Summary of Significant Accounting Policies (Continued)

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

Financial assets at fair value through profit or loss

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

Held-to-maturity financial assets

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

Available-for-sale financial assets

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

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

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

Loans and receivables

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

2. Basis of preparation of financial statements (Continued)

2.6. Summary of Significant Accounting Policies (Continued)

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.

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 less due date expense. Due date expense is accounted for under cost of sales. This amount is the fair value of consideration to be paid in the future for goods and services received, whether or not billed.

2. Basis of preparation of financial statements (Continued)

2.6. Summary of Significant Accounting Policies (Continued)

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/TRY (full)	EUR/TRY (full)
30 June 2013	**1,9248**	**2,5137**
31 December 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

In Turkey, companies can raise their share capital by distributing "Bonus Shares" to shareholders from retained earnings. In computing earnings per share, such "Bonus Share" distributions are assessed as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

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)

2.6. Summary of Significant Accounting Policies (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

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

Income taxes

Current Income Taxes and Deferred Tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the statement of income, except to the extent that it relates to items recognized directly in equity. In such case, the tax is recognized in shareholders’ equity.

2. Basis of preparation of financial statements (Continued)

2.6. Summary of Significant Accounting Policies (Continued)

The current period tax on income is calculated for the Group's subsidiaries, associates and joint ventures considering the tax laws that are applicable in the countries where they operate.

Deferred tax liability or asset is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which are used in the computation of taxable profit. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and tax regulations that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

The main temporary differences are from the time differences between carrying amount of tangible assets and their tax base amounts, the available expense accruals that are subject to tax and tax allowances that are not utilized.

Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

When the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority and there is a legally enforceable right to set off current tax assets against current tax liabilities, deferred tax assets and deferred tax liabilities are offset accordingly.

Statement of Cash Flows

The Group prepares statements of cash flows as an integral part of its of financial statements to enable financial statement analysis about the change in its net assets, financial structure and the ability to direct cash flow amounts and timing according to evolving conditions. Cash flows include those from operating activities, working capital, investing activities and financing activities.

Cash flows from operating activities represent the cash flows generated from the Group's activities.

Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (fixed investments and financial investments).

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

Dividend

Dividend income is recognized by the Group at the date the right to collect the dividend is realized. Dividend payables are recognized in the period profit distribution is declared.

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 14, the employee benefit liability is provided for in accordance with IAS 19 "Employee Benefits" and is based on an independent actuarial study.

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

2. Basis of preparation of financial statements (Continued)

2.6. Summary of Significant Accounting Policies (Continued)

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) 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.

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

	30 June 2013	31 December 2012
Cash on hand	**74.772**	54.725
Banks		
-demand deposits	**129.112**	122.680
- profit share deposits	**121.342**	184.224
Cash in transit	**42.044**	26.593
	367.270	388.222
Less: accrual for profit share	**(2.230)**	(1.264)
Cash and cash equivalents for cash flow	**365.040**	386.958

As of June 30, 2013 and December 31, 2012 there is no restricted cash. As of June 31, 2013, profit share deposits are in TRY and the gross rate for profit share from participation banks for TL is 8% (31 December 2012: gross 8,5%) and average maturity is 134 days. (31 December 2012: 103 days)

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

5. Financial assets

The details of subsidiaries and associates' financial investment of the Group are as below:

Name of the subsidiary	Share	30 June 2013	31 December2012
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 TRY 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 June 30, 2013, the ratio of total assets and turnover of the Company is less than 1% to the Group's consolidated total assets and turnover.

6. Financial liabilities

The Group has interest free short term bank borrowings in amount of TRY 15.000 (31 December 2012: TRY 10.448) to pay SGK liabilities as of 30 June 2013. Such borrowings have been closed on 4 July 2013.

7. Trade receivables and payables

a) Trade receivables, net

	30 June 2013	31 December 2012
Credit card receivables	**311.235**	312.344
	311.235	312.344

As of June 30, 2013 the average term of credit card receivables is 10 days (31 December 2012: 11 days).

b) Trade payables, net

	30 June 2013	31 December 2012
Other trade payables	**1.287.017**	1.029.935
Unincurred rediscount expense (-)	**(5.726)**	(3.784)
Other trade payables, net	**1.281.291**	1.026.151

As of 30 June 2013 the average term of trade payables is 49 days (31 December 2012 - 48 days). As of 30 June 2013 letters of guarantee and cheques are amounting to TRY 21.728 and mortgages are amounting to TRY 24.043 (31 December 2012: TRY 26.060 letters of guarantee and cheques, TRY 23.793 mortgages).

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

8. Other receivables and payables

a) Other Receivables

	30 June 2013	31 December 2012
Receivables from related parties	**46.193**	18.359
Receivables from personnel	**239**	80
Other receivables	**1.337**	1.804
Doubtful receivables	**377**	365
Less: Allowance for doubtful receivables	**(377)**	(365)
	47.769	20.243

Term receivables are recognized at original invoice amount and carried after provisions for doubtful 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 30 June 2013 and 31 December 2012, the Group does not have any overdue receivables except for doubtful receivables.

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

	30 June 2013	30 June 2012
Balance at the beginning of the period	**365**	712
Allowance for doubtful receivables	**12**	-
Collection in current year	**-**	(36)
Balance at the end of the period	**377**	676

b) Other Payables

	30 June 2013	31 December 2012
Income taxes payable and social security premiums	**38.099**	10.524
VAT payable	**4.038**	13.492
Other taxes payable	**246**	13.388
	42.383	37.404

9. Inventories

	30 June 2013	31 December2012
Trade goods, net	**621.459**	478.323
Other	**22.327**	5.261
	643.786	483.584

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

9. Inventories (Continued)

	30 June 2013	30 June 2012
Balance at the beginning of the period	**1.423**	2.050
Current year reversal	**(1.423)**	(2.050)
Allowance for impairment	**1.610**	1.154
Balance at the end of the period	**1.610**	1.154

As of 30 June 2013, allowance for impairment on trade goods amounting to TRY 1.610 (31 December 2012: TRY 1.423).

Amount of the goods that were written down are reversed and has been included in cost of sales in the income statement.

10. Property, plant and equipment

The movements of property and equipment and the related accumulated depreciation for the periods ended 30 June 2013 and 2012 are as follows:

	31 December 2012	**Additions**	**Disposals**	**Transfers**	**Currency translation differences**	**30 June 2013**
Cost or revalued amount						
Land	**199.589**	**8.875**	**-**	**-**	**271**	**208.735**
Land improvements	**3.988**	**511**	**-**	**-**		**4.499**
Buildings	**172.173**	**10.820**	**-**	**5.442**		**188.435**
Machinery and equipment	**369.894**	**35.430**	**(3.439)**	**458**	**791**	**403.134**
Vehicles	**78.036**	**12.903**	**(3.419)**	**945**	**168**	**88.633**
Furniture and fixtures	**157.685**	**12.745**	**(1.240)**	**222**	**240**	**169.652**
Leasehold improvements	**282.712**	**26.235**	**(2.570)**	**108**	**1.605**	**308.090**
Construction in progress	**6.528**	**12.400**	**(207)**	**(7.175)**	**-**	**11.546**
	1.270.605	**119.919**	**(10.875)**	**-**	**3.075**	**1.382.724**
Less:Accumulated depreciation						
Land improvements	**(2.107)**	**(383)**	**-**	**-**		**(2.490)**
Buildings	**-**	**(4.887)**	**-**	**-**		**(4.887)**
Machinery and equipment	**(172.309)**	**(16.406)**	**2.202**	**-**	**(289)**	**(186.802)**
Vehicles	**(34.666)**	**(7.353)**	**2.650**	**-**	**(38)**	**(39.407)**
Furniture and fixture	**(104.760)**	**(9.842)**	**1.132**	**-**	**(59)**	**(113.529)**
Leasehold improvements	**(105.350)**	**(13.759)**	**1.134**	**-**	**(270)**	**(118.245)**
	(419.192)	**(52.630)**	**7.118**	**-**	**(656)**	**(465.360)**
Net book value	**851.413**					**917.364**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

10. Property, plant and equipment (Continued)

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

Depreciation expense of TRY 48.595 (30 June 2012: TRY 41.342) has been charged in marketing expenses and TRY 4.674 (30 June 2012: TRY 3.530) in general and administrative expenses. 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

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 30 June 2013 and 31 December 2012, respectively:

	Land and building	
	30 June 2013	31 December 2012
Cost	**348.604**	323.196
Accumulated depreciation	**(37.909)**	(33.025)
	310.695	290.171

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

10. Property, plant and equipment (Continued)

As of 30 June 2013 and 31 December 2012, the gross carrying amount of property and equipment and intangibles, which are fully depreciated, but still in use, is as follows:

	30 June 2013	31 December 2012
Machinery and equipment	**71.774**	68.672
Furniture and fixtures	**71.074**	62.156
Intangible assets and leasehold improvements	**29.623**	27.141
Vehicles	**12.472**	8.344
Land improvements	**703**	405
	185.646	166.718

Pledges and mortgages on assets

As of 30 June 2013 and 31 December 2012, there is no pledge or mortgage on property and equipment of the Group.

11. Intangible assets

The movements of intangible assets and related accumulated amortization for the periods ended 30 June 2013 and 2012 are as follows:

	31 December 2012	**Additions**	**Disposals**	**Currency translation differences**	**30 June 2013**
Cost					
Rights	**11.748**	**912**		**21**	**12.681**
Other intangible assets	**31**	**-**	**-**		**31**
	11.779	**912**	**-**	**21**	**12.712**
Accumulated amortization					
Rights	**(8.601)**	**(639)**	**-**	**(10)**	**(9.250)**
Other intangible assets	**(26)**	**-**	**-**	**-**	**(26)**
	(8.627)	**(639)**	**-**	**(10)**	**(9.276)**
Net book value	**3.152**				**3.436**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

11. Intangible assets (Continued)

	31 December 2011	Additions	Disposals	Currency translation differences	30 June 2012
Cost					
Rights	10.199	**523**	**-**	**(17)**	**10.705**
Other intangible assets	31	**-**	**-**	**-**	**31**
	10.230	**523**	**-**	**(17)**	**10.736**
Accumulated amortization					
Rights	(7.401)	**(577)**	**-**	**12**	**(7.966)**
Other intangible assets	(26)	**-**	**-**	**-**	**(26)**
	(7.427)	**(577)**	**-**	**12**	**(7.992)**
Net book value	2.803				**2.744**

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

Major part of the rights is software licenses.

12. Provisions, contingent assets and liabilities

Short term provisions

Unused vacation amounting to TRY 7.505 is shown on the short term provisions for employee benefits amounting in the Group account of short term provisions for the period ended 30 June 2013 (31 December 2012: TRY 5.584).

Telephone, electricity, water and other current liabilities are shown as other current provisions amounting to TRY 4.173 as of 30 June 2013 (31 December 2012: TRY 2.766).

Litigations against the Group

As of 30 June 2013 and 31 December 2012, the total amount of outstanding lawsuits filed against the Group is TRY 11.736 and TRY 12.391 (in historical terms), respectively. The Group made provisions amounting TRY 7.287 and TRY 6.880 for the related periods, respectively.

Current period movement of provision for lawsuits is as follows;

	30 June2013	30 June 2012
Balance at the beginning of the period	**6.880**	6.818
Provision amount, net	**407**	411
Balance at the end of the period	**7.287**	7.229

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

12. Provisions, contingent assets and liabilities (Continued)

Letter of guarantees, mortgages and pledges given by the Group

As of 30 June 2013 and 31 December 2012, breakdown of the guarantees, mortgage and pledges given by the Group is as follows:

	30 June 2013				
	Total TRY equivalent	**TRY**	**USD**	**Euro**	**Moroccan Dirham**
A. Total amount of guarantees, pledges and mortgages given in the name of legal entity	***17.422***	***16.761***	***250.000***	-	***799.500***
Guarantee	*17.422*	*16.761*	*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	***17.422***	***16.761***	***250.000***	-	***799.500***

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

12. Provisions, contingent assets and liabilities (Continued)

	31 December 2012				
	Total TRY equivalent	**TRY**	**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 30 June 2013 and 31 December 2012, insurance coverage on assets of the Group is TRY 823.042 and TRY 721.157 respectively.

13. Prepaid expenses

The current prepaid expenses consists of TRY 11.190 (31 December 2012: TRY 8.666); which is comprise of prepaid rents for less than 1 year, insurance policies, and non current prepaid expenses consist of advances given for property, plant and equipment amounting to TRY 11.106 (31 December 2012: TRY 5.136) and other long term prepaid expenses amounting to TRY 928 (31 December 2012: TRY 658).

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

14. Employee termination benefits

Under the Turkish Labor Law, the Group is required to pay employment termination benefits to each employee who has qualified for such benefits as the employment ended. Also, employees entitled to a retirement are required to be paid retirement pay in accordance with Law No: 2242 dated 6 March 1981 and No: 4447 dated 25 August 1999 and the amended Article 60 of the existing Social Insurance Code No: 506. Some transitional provisions related with retirement prerequisites have been removed due to the amendments in the relevant law on May 23, 2002.

The amount payable consists of one month's salary limited to a maximum of TRY 3.129,25 for each period of service as of 30 June 2013 (31 December 2012: TRY 3.033,98). The retirement pay provision ceiling is revised semi-annually, and TRY 3.254,44 which is effective from 1 July 2013, is taken into consideration in the calculation of provision for employment termination benefits (invalided between 31 December 2012 and 1 January 2013: TRY 3.129.25). Liability of employment termination benefits is not subject to any funding as there isn't an obligation. Provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. IAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the Group's obligation under the defined benefit plans. The following actuarial assumptions are used in the calculation of the total liability. Actuarial loss/(gain) is accounted in the statement of comprehensive income under revaluation reserves.

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying consolidated financial statements as of 30 June 2013 and 31 December 2012 the provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. Provisions at the balance sheet date were calculated by assuming an annual inflation rate of 5% (31 December 2012: 5,00%) and a discount rate of 9% (31 December 2012: 9,60%). The anticipated rate of forfeitures that occurred on voluntary turnovers is considered.

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

	1 January - 30 June 2013	1 January - 30 June 2012
Current service cost (Note 19)	**3.502**	2.253
Financial expense of employee termination benefit	**1.631**	1.177
Total expense	**5.133**	3.430

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

	1 January - 30 June 2013	1 January- 30 June 2012
Balance at the beginning of the period	**36.711**	24.085
Financial expense of employee termination benefit	**1.631**	1.177
Current service cost	**3.502**	2.253
Benefits paid	**(3.581)**	(1.616)
Balance at the end of the period	**38.263**	25.899

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

15. Other assets and liabilities

a) Other current assets

	30 June 2013	31 December 2012
Advances given	**45.052**	34.855
VAT receivable	**9.869**	7.556
Other	**2.898**	1.899
	57.819	44.310

b) Other non-current assets

	30 June 2013	31 December 2012
Deposits and advances given	**2.987**	2.667
	2.987	2.667

c) Other current liabilities

	30 June 2013	31 December 2012
Goods received not invoiced	**1.012**	12
Other	**1.235**	2.967
	2.247	2.979

As of 30 June 2013 and 31 December 2012, the Group does not have any other long-term liability.

16. Equity

a) Share capital and capital reserves

As of 30 June 2013 and 31 December 2012, the breakdown of shareholders and their ownership percentages in the Company are summarized as follows:

	30 June 2013		31 December 2012	
	Historical cost	%	Historical cost	%
Mustafa Latif Topbaş	**47.897**	**15,8**	25.466	16,8
Ahmet Afif Topbaş	**27.400**	**9,0**	14.571	9,6
Abdulrahman A. El Khereiji	**10.626**	**3,5**	6.831	4,5
Firdevs Çizmeci	**3.500**	**1,1**	1.750	1,1
Fatma Fitnat Topbaş	**3.036**	**1,0**	-	-
Ömer Hulusi Topbaş	**360**	**0,1**	180	0,1
Ahmet Hamdi Topbaş	**200**	**0,1**	-	-
Publicly traded	**210.581**	**69,4**	103.002	67,9
	303.600	**100**	151.800	100

16. Equity (Continued)

The Company's share capital is fully paid and consists of 303.600.000 (31 December 2012 - 151.800.000) shares of TRY 1 nominal value each

At the Company's general meeting on 15 May 2013, it was decided to increase the paid-in capital of the Company from TRY 151.800 to TRY 303.600 completely free of charge; TRY 23.122 is transferred from profit of 2012 and TRY 128.678 is transferred from extraordinary reserves.

Revaluation surplus

As of 30 June 2013 and 31 December 2012, the Group has revaluation surplus amounting TRY 78.323 (31 December 2012 : TRY 78.323) related to revaluation of land and buildings. The revaluation surplus is not available for distribution to shareholders.

b) Restricted reserves and retained earnings

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

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

Listed companies are subject to dividend requirements regulated by the 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 27 January 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 30 December 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.

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

16. Equity (Continued)

As of 30 June 2013 and 31 December 2012 legal reserves, prior year profits and net income for the period in statutory accounts of the Company are as follows:

	30 June 2013	31 December 2012
Legal reserves	**124.463**	103.211
Extraordinary reserves	**81.376**	128.679
Net profit for the period	**210.852**	345.860
	416.691	577.750

As of 30 June 2013 net profit per the Company's statutory books is TRY 210.852 and net profit per consolidated financial statements in accordance with CMB accounting standards is TRY 189.951.

Dividend paid

According to the decision held on the Company's general meeting on 15 May 2013, TRY 220.110 is distributed in cash from the profit for the year 2012 as of report date. The paid dividend amount is 1,45 per share in full.

17. Sales and cost of sales

a) Net Sales

The Group's net sales for the periods ended 30 June 2013 and 2012 are as follows:

	1 January - 30 June 2013	**1 April - 30 June 2013**	1 January - 30 June 2012	1 April - 30 June 2012
Sales	**5.651.947**	**2.846.027**	4.800.062	2.363.009
Net sales (-)	**(22.860)**	**(12.432)**	(19.213)	(10.128)
	5.629.087	**2.833.595**	4.780.849	2.352.881

b) Cost of sales

	1 January - 30 June 2013	**1 April - 30 June 2013**	1 January - 30 June 2012	1 April - 30 June 2012
Beginning inventory	**478.323**	**481.717**	400.755	423.217
Purchases	**4.895.837**	**2.531.310**	4.125.966	2.054.240
Ending inventory (-)	**(621.459)**	**(621.459)**	(494.147)	(494.147)
	4.752.701	**2.391.568**	4.032.574	1.983.310

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

18. Operational Expenses

a) Marketing, selling and distribution expenses

	1 January - 30 June 2013	**1 April - 30 June 2013**	1 January - 30 June 2012	1 April - 30 June 2012
Personnel expenses	**250.982**	**125.626**	210.511	108.949
Rent expenses	**138.529**	**70.511**	118.772	60.968
Depreciation and amortization expenses	**48.595**	**24.751**	41.342	21.237
Electricity, water and communication expenses	**29.894**	**16.446**	24.735	13.822
Packaging expenses	**27.807**	**14.161**	24.260	11.777
Trucks fuel expense	**21.191**	**10.768**	18.141	9.150
Advertising expenses	**16.669**	**8.194**	18.578	11.497
Maintenance and repair expenses	**11.744**	**6.568**	10.113	5.171
Provision for employee termination benefit	**2.915**	**1.462**	1.847	923
Other	**23.021**	**12.473**	18.832	9.520
	571.347	**290.960**	487.131	253.014

b) General and administrative expenses

	1 January - 30 June 2013	**1 April - 30 June 2013**	1 January - 30 June 2012	1 April - 30 June 2012
Personnel expenses	**54.075**	**30.445**	45.378	22.834
Depreciation and amortization expenses	**4.674**	**2.375**	3.530	1.843
Legal and consultancy expenses	**4.123**	**1.860**	3.040	1.497
Motor vehicle expenses	**3.914**	**2.101**	3.321	1.710
Money collection expenses	**2.735**	**1.405**	2.447	1.264
Provision for employee termination benefits	**587**	**289**	406	198
Communication expenses	**488**	**273**	435	233
Office supplies expenses	**319**	**150**	288	153
Other	**10.735**	**5.973**	11.139	6.456
	81.650	**44.871**	69.984	36.188

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

19. Expenses by nature

Depreciation and amortization expenses

	1 January - 30 June 2013	**1 April - 30 June 2013**	1 January - 30 June 2012	1 April - 30 June 2012
Marketing and selling expenses	**48.595**	**24.751**	41.342	21.237
General and administrative expenses	**4.674**	**2.375**	3.530	1.843
	53.269	**27.126**	44.872	23.080

a) Personnel Expenses

	1 January - 30 June 2013	**1 April - 30 June 2013**	1 January - 30 June 2012	1 April - 30 June 2012
Wages and salaries	**266.921**	**136.502**	223.419	115.027
Provision for employee termination benefits (Note 14)	**3.502**	**1.751**	2.253	1.121
Social security premiums - employer contribution	**38.136**	**19.569**	32.471	16.757
	308.559	**157.822**	258.143	132.905

20. Other operating income and expense

a) Other Operating Income

	1 January - 30 June 2013	**1 April - 30 June 2013**	1 January - 30 June 2012	1 April - 30 June 2012
Gain on sale of scraps	**3.390**	**1.682**	3.151	1.553
Other income from operations	**1.940**	**922**	1.378	679
	5.330	**2.604**	4.529	2.232

b) Other Operating Expense

	1 January - 30 June 2013	**1 April - 30 June 2013**	1 January - 30 June 2012	1 April - 30 June 2012
Provision expenses	**597**	**367**	443	296
Other	**506**	**285**	398	192
	1.103	**652**	841	488

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

21. Financial Income

	1 January - 30 June 2013	**1 April - 30 June 2013**	1 January - 30 June 2012	1 April - 30 June 2012
Income on profit share account – deposits	**9.782**	**4.076**	8.982	4.263
Foreign exchange gains	**4.496**	**3.771**	84	(289)
	14.278	**7.847**	9.066	3.974

22. Financial Expenses

	1 January - 30 June 2013	**1 April - 30 June 2013**	1 January - 30 June 2012	1 April - 30 June 2012
Foreign exchange losses	**1.586**	**458**	3.372	1.429
Finance charge on employee termination benefit (Actuarial loss included)	**1.631**	**816**	1.177	589
Other financial expenses	**300**	**117**	287	164
	3.517	**1.391**	4.836	2.182

23. Income and expense from investing activities

a) Income from Investing Activities

	1 January - 30 June 2013	**1 April - 30 June 2013**	1 January - 30 June 2012	1 April - 30 June 2012
Dividend income	**4.009**	**4.009**	2.660	2.660
Gain on sale of property, plant and equipment	**-**	**-**	552	500
	4.009	**4.009**	3.212	3.160

b) Expense from Investing Activities

Expense from investing activities consists from loss from sale of property, plant and equipment. As of 30 June 2013, loss from sale of property, plant and equipment is TRY 966 (30 June 2012: None).

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

24. Tax assets and liabilities

As of 30 June 2013 and 31 December 2012, provision for taxes of the Group is as follows:

	30 June 2013	31 December 2012
Current period tax provision	**52.469**	87.268
Prepaid taxes	**(27.524)**	(64.571)
Corporate tax payable	**24.945**	22.697

In Turkey, as of 30 June 2013 corporate tax rate is 20% (31 December 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 30 June 2013 the corporate tax rate is %30 (31 December 2012 :%30) where the consolidated subsidiary of the Company, BIM Stores SARL operates. In Egypt, as of June 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 (31 December 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 30 June 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	
	30 June 2013	31 December 2012	**1 January - 30 June 2013**	1 January - 30 June 2012
Deferred tax liability				
Restatement effect on non-monetary items in accordance with IAS 29	**19.378**	19.081	**297**	2.176
The effect of the revaluation of land and buildings	**4.538**	4.538	**-**	-
Other adjustments	**1.309**	886	**423**	421
Deferred tax asset				
Reserve for employee termination benefit	**(7.653)**	(7.343)	**(310)**	(389)
Other adjustments	**(7.293)**	(5.850)	**(1.443)**	(1.605)
Currency translation difference		-	**33**	(37)
Deferred tax	**10.279**	11.312	**(1.000)**	566

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

24. Tax assets and liabilities (Continued)

Tax effects of components of comprehensive income are as follows:

	1 January-30 June 2013	**1 April-30 June 2013**	1 January-30 June 2012	1 April-30 June 2012
Before tax amount	-	-	2.105	(859)
Tax (charge)/ credit	-	-	(421)	172
Net of tax amount	-	-	1.684	(687)

Deferred tax is presented in financial statements as follows:

	30 June 2013	31 December 2012
Deferred tax assets	**514**	392
Deferred tax liabilities	**(10.793)**	(11.704)
Net tax liability	**(10.279)**	(11.312)

Movement of net deferred tax liability for the periods ended 30 June 2013 and 2012 are as follows:

	1 January-30 June 2013	1 January-30 June 2012
Balance at the beginning of the period	**11.312**	10.163
Deferred tax expense/(income) recognized in statement of comprehensive income	**(1.000)**	145
Revaluation and actuarial gain/loss difference recognized in statement of other comprehensive income	**-**	421
Foreign currency translation differences	**(33)**	37
Balance at the end of the period	**10.279**	10.766

Tax reconciliation

	1 January-30 June 2013	1 January-30 June 2012
Net income before tax	**241.420**	202.290
Corporation tax at effective tax rate of 20%	**(48.284)**	(40.458)
Disallowable expenses	**(266)**	(339)
Effect of non-tax deductible and tax exempt items	**(1.290)**	285
Tax rate effect of the consolidated subsidiary	**122**	(863)
Other	**(1.751)**	(805)
Provision for taxes	**(51.469)**	(42.180)
- Current	**(52.469)**	(42.035)
- Deferred	**1.000**	(145)

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

25. 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. For the periods ended 30 June 2013 and 2012, earnings per share is 0,626 and 0,527, respectively. All shares of the Company are in same status.

For the periods ended 30 June 2013 and 2012, the movement of shares numbers is as follows:

Number of shares	**1 January-30 June 2013**	1 January-30 June 2012
Balance at the beginning of the period	**151.800.000**	151.800.000
Bonus Shares distributed to shareholders from retained earnings during the period	**151.800.000**	-
Balance at the end of the period	**303.600.000**	151.800.000

26. Related party disclosures

a) Due to related parties

Due to related parties balances as of 30 June 2013 and 31 December 2012 are as follows:

Payables related to goods and services received:

	30 June 2013	31 December 2012
Ak Gıda A.Ş. (Ak Gıda) (1)	**94.953**	87.042
Başak Gıda Dağıtım ve Pazarlama A.Ş. (Başak) (1)	**41.663**	36.578
Turkuvaz Plastik ve Tem. Ürün. Tic. A.Ş (Turkuvaz) (1)	**21.667**	19.480
Hedef Tüketim Ürünleri San ve Dış Tic. A.Ş. (Hedef) (1)	**20.779**	22.088
İdeal Standart İşletmecilik ve Mümessillik San. ve Tic. A.Ş. (İdeal Standart) (2)	**2.487**	2.256
Bahar Su San. ve Tic. A.Ş. (Bahar Su) (1)	**641**	752
Seher Gıda Paz. San. ve Tic. A.Ş. (Seher) (1)	**299**	270
Esas Paz. ve Tic. A.Ş. (Esas) (1)	**9**	2.788
Bahariye Mensucat San. Ve tic. A.Ş. (Bahariye) (1)	**5**	-
Proline Bilişim Sistemleri ve Ticaret A.Ş. (1)	**3**	581
Natura Gıda Sanayi ve Ticaret A.Ş. (Natura) (1) (*)	**-**	50
	182.506	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 TRY 46.193 as of 30 June 2013 is included in other receivables due from related parties (31 December 2012:TRY 18.359).

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

26. Related party disclosures (Continued)

b) Related party transactions

For the periods ended 30 June 2013 and 2012, summary of the major transactions with related parties are as follows:

i) Purchases from related parties during the periods ended 30 June 2013 and 2012 are as follows:

	1 January - 30 June 2013	1 January - 30 June 2012
Ak Gıda [1]	**372.528**	313.058
Başak [1]	**173.224**	144.179
Turkuvaz [1]	**56.182**	40.516
Hedef [1]	**56.178**	38.153
Natura [1]	**39.892**	36.291
İdeal Standart [2]	**4.827**	4.935
Bahariye [1]	**2.200**	534
Bahar Su [1]	**1.780**	2.549
Seher [1]	**780**	722
Proline [1]	**137**	607
Esas [1]	**-**	11.774
	707.728	593.318

[1] Companies owned by shareholders of the Company.
[2] Subsidiaries of the Group.

(ii) For the periods ended 30 June 2013 and 2012 salaries, bonuses and compensations provided to board of directors and key management comprising of 91 and 83 personnel, respectively, are as follows:

	1 January - 30 June 2013	1 January - 30 June 2012
Short-term benefits to employees	**10.910**	9.409
Long-term defined benefits	**1.246**	1.673
Total benefits	**12.156**	11.082

27. Financial Instruments and Financial Risk Management

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 interest free 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.

27. Financial Instruments and Financial Risk Management (Continued)

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**	Previous period
	Fixed profit share bearing financial instruments		
Financial assets	Profit share deposits	121.342	184.224
Financial liabilities		**-**	-
	Variable profit share bearing financial instruments		
Financial assets		**-**	-
Financial liabilities		**-**	-

Credit risk

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

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27. Financial Instruments and Financial Risk Management (Continued)

Credit risk table (Current period)

	Receivables							
	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)	**-**	**311.235**	**-**	**2.075**	**-**	**250.454**	**12.590**	**-**
- Maximum risk secured by guarantees	-	-	-	-	-	-	-	-
A. Net book value of financial assets neither overdue nor impaired	-	311.235	-	2.075	-	250.454	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)	-	-	-	377	-	-	-	-
- Impairment	-	-	-	(377)	-	-	-	-
- 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	-	-	-	-	-	-	-	-

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

27. Financial Instruments and Financial Risk Management (Continued)

Credit risk table (Prior period)

	Receivables							
	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)	**-**	**312.344**	**-**	**2.249**	**-**	**306.904**	**12.590**	**-**
- Maximum risk secured by guarantees	-	-	-	-	-	-	-	-
A. Net book value of financial assets neither overdue nor impaired	-	312.344	-	2.249	-	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	-	-	-	-	-	-	-	-

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27. Financial Instruments and Financial Risk Management (Continued)

There is an 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 30 June 2013 and 31 December 2012, the Group's foreign currency position is as follows

	30 June 2013				31 December 2012			
	TRY equivalent	**USD**	**Euro**	**GBP**	TRY equivalent	USD	Euro	GBP
1. Trade receivables								
2a. Monetary financial assets (including cash, bank accounts)	**548**	**242.879**	**26.455**	**4.757**	253	51.105	57.267	9.637
2b. Non-monetary financial assets			-	-			-	-
3. Other	-	-	-	-	-	-	-	-
4. Current assets (1+2+3)	-	-	-	-	-	-	-	-
5. Trade receivables	**548**	**242.879**	**26.455**	**4.757**	**253**	**51.105**	**57.267**	**9.637**
6a. Monetary financial assets	-	-	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-	-	-
7. Other	-	-	-	-	-	-	-	-
8. Non-current assets (5+6+7)	1.967	1.020.300	1.278	-	50	26.300	1.278	-
9. Total assets(4+8)	**1.967**	**1.020.300**	**1.278**	**-**	**50**	**26.300**	**1.278**	**-**
1. Trade receivables	**2.515**	**1.263.179**	**27.733**	**4.757**	**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)	**2.515**	**1.263.779**	**27.733**	**4.757**	**303**	**77.405**	**58.545**	**9.637**
22. Total fair value of financial instruments used for foreign currency hedging	-	-	-	-	-	-	-	-
23. Export	-	-	-	-	-	-	-	-
24.Import	-	-	-	-	-	-	-	

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27. Financial Instruments and Financial Risk Management (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 30 June 2013 and 31 December 2012:

	30 June 2013	**Exchange rate sensitivity analysis**			
		Current period			
			Profit/Loss	**Equity**	
		Foreign currency appreciation	**Foreign currency devaluation**	**Foreign currency appreciation**	**Foreign currency devaluation**
	Increase/Decrease of 10% in value of U.S Dollar against TRY				
1-	U.S Dollar net asset/(liability)	**243**	**(243)**	**-**	**-**
2-	Protected part from U.S Dollar risk (-)	**-**	**-**	**-**	**-**
3-	**U.S Dollar net effect (1+2)**	**243**	**(243)**	**-**	**-**
	Increase/Decrease of 10% in value of Euro against TRY:				
4-	Euro net asset/(liability)	**7**	**(7)**	**-**	**-**
5-	Protected part from Euro risk (-)	**-**	**-**	**-**	**-**
6-	**Euro net effect (4+5)**	**7**	**(7)**	**-**	**-**
	Increase/Decrease of 10% in value of GBP against TRY :				
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)	**251**	**(251)**	**-**	**-**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

27. Financial Instruments and Financial Risk Management (Continued)

	31 December 2012	**Exchange rate sensitivity analysis**			
		Prior period			
			Profit/Loss	**Equity**	
		Foreign currency appreciation	**Foreign currency devaluation**	**Foreign currency appreciation**	**Foreign currency devaluation**
	Increase/Decrease of 10% in value of U.S Dollar against TRY:				
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 TRY:				
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 TRY :				
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)**	**-**	**-**

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.

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

27. Financial Instruments and Financial Risk Management (Continued)

As of 30 June 2013 and 31 December 2012, maturities of undiscounted trade payables and financial liabilities are as follows:

30 June 2013

Contractual maturities	**Book value**	**Total cash outflow**	**Less than 3 months**	**3 -12 months**	**1 – 5 years**	**More than 5 years**
Non derivative financial liabilities						
Trade payables	1.281.291	1.287.060	1.287.060	-	-	-
Due to related parties	182.506	183.324	183.324	-	-	-

31 December 2012

Contractual maturities	Book value	Total cash outflow	Less than 3 months	3 -12 months	1 - 5 years	More than 5 years
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	-	-	-

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the gearing ratio. Net debt is calculated as total liabilities less cash and cash equivalents.

The gearing ratios at 30 June 2013 and 31 December 2012 are as follows:

	30 June 2013	**31 December 2012**
Total liabilities	1.619.542	1.337.375
Less: Cash and cash equivalents	(367.270)	(388.222)
Net debt	1.252.272	949.153
Total equity	768.452	796.012
Total equity+net debt	**2.020.724**	**1.745.165**
Net debt/ (Total equity + net debt)	**62%**	**54%**

28. 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.

- Financial assets

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

- Financial liabilities

Financial liabilities of which fair values approximate their carrying values:

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

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