

(Convenience translation of the interim condensed consolidated financial statements originally issued in Turkish)

Aygaz Anonim Őirketi and Subsidiaries

**January 1 – September 30, 2011 interim condensed
consolidated financial statements**

Aygaz Anonim Şirketi and Subsidiaries

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(Convenience translation of financial statements originally issued in Turkish – see Note 2)

Aygaz Anonim Şirketi and Subsidiaries

Consolidated balance sheet as at September 30, 2011

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

		Current period (Not reviewed) September 30, 2011	Prior period (Audited) December 31, 2010
Assets	Notes		
Current assets			
Cash and cash equivalents	5	257.012	262.429
Trade receivables		354.649	265.278
-Due from related parties	22	19.558	16.051
-Other trade receivables	8	335.091	249.227
Other receivables		3.899	2.107
Inventories	9	206.691	158.557
Other current assets	16	47.891	27.101
		870.142	715.472
Assets held for sale	23	-	372.278
Total current assets		870.142	1.087.750
Non-current assets			
Trade receivables	8	1.992	847
Other receivables		41	35
Financial investments	6	298.848	326.448
Investments accounted under equity method	10	883.322	853.176
Property, plant and equipment	11	599.344	475.306
Intangible assets	12	38.534	7.719
Goodwill	13	82.470	-
Deferred tax asset	21	57	109
Other non-current assets	16	53.429	52.258
Total non-current assets		1.958.037	1.715.898
Total assets		2.828.179	2.803.648

The accompanying accounting policies and notes presented between pages 8 and 45 form an integral part of these consolidated financial statements.

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

Aygaz Anonim Şirketi and Subsidiaries

Consolidated balance sheet as at September 30, 2011

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

Liabilities	Notes	Current period (Not reviewed) September 30, 2011	Prior period (Audited) December 31, 2010
Short term liabilities			
Financial borrowings	7	3.146	2.605
Other financial liabilities		-	444
Trade payables		321.177	300.278
- Due to related parties	22	97.254	110.458
- Other trade payables	8	223.923	189.820
Other payables	15	4.188	18.157
Current tax liabilities	21	8.086	12.171
Provision for other liabilities		3.277	2.637
Other short term liabilities	16	163.791	117.016
		503.665	453.308
Liabilities of assets held for sale	23	-	117.747
Total short term liabilities		503.665	571.055
Long term liabilities			
Financial borrowings	7	11.903	108.602
Other payables	15	65.933	53.299
Provision for employment termination benefits		18.724	16.744
Deferred tax liabilities	21	39.822	40.040
Total non-current liabilities		136.382	218.685
Equity			
Share capital	17	300.000	300.000
Inflation adjustment to share capital	17	71.504	71.504
Adjustment to share capital	10	(7.442)	(7.442)
Valuation fund on financial assets		196.809	223.010
Currency translation reserve	10	1.207	476
Restricted reserves		384.230	373.230
Financial risk hedging reserve	10	(7.388)	(5.690)
Retained earnings		886.954	783.489
Net profit for the period		328.794	239.465
Equity attributable to equity holders of the parent		2.154.668	1.978.042
Non-controlling interests		33.464	35.866
Total equity		2.188.132	2.013.908
Total liabilities and equity		2.828.179	2.803.648

The accompanying accounting policies and notes presented between pages 8 and 45 form an integral part of these consolidated financial statements.

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

Aygaz Anonim Şirketi and Subsidiaries

Consolidated income statement for the nine month interim period ended September 30, 2011 (Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

		Not reviewed January 1 - September 30, 2011	Not reviewed July 1 - September 30, 2011	Not reviewed January 1 - September 30, 2010	Not reviewed July 1 - September 30, 2010
	Notes				
Continuing operations					
Sales revenue (net)		3.995.376	1.501.715	3.354.270	1.227.060
Cost of sales (-)		(3.640.761)	(1.366.484)	(3.008.179)	(1.093.508)
Gross profit		354.615	135.231	346.091	133.552
Marketing, sales and distribution expenses (-)		(149.554)	(56.482)	(112.713)	(40.924)
General administrative expenses (-)		(74.688)	(26.388)	(71.895)	(23.523)
Research and development expenses (-)		(1.251)	(437)	(1.105)	(500)
Other operating income		215.585	5.870	20.181	6.236
Other operating expenses (-)		(9.861)	(719)	(9.129)	(4.650)
Operating profit		334.846	57.075	171.430	70.191
Profit from investments accounted under equity method	10	31.113	(3.201)	61.909	55.659
Financial income	19	330.888	198.361	95.627	14.669
Financial expense (-)	20	(336.029)	(200.400)	(82.312)	(10.153)
Profit from continuing operations before taxation		360.818	51.835	246.654	130.366
Continuing operations tax income/(expense)					
- Current tax expense for the period	21	(38.012)	(10.002)	(38.373)	(14.404)
- Deferred tax income / (expense)	21	5.508	(362)	2.998	(689)
Continuing operations profit		328.314	41.471	211.279	115.273
Discontinued operations					
Discontinued operations profit after tax		-	-	-	-
Net profit for the period		328.314	41.471	211.279	115.273
Profit attributable to:					
Non controlling interest		(480)	374	692	23
Parent company		328.794	41.097	210.587	115.250
		328.314	41.471	211.279	115.273
Earnings per share					
Diluted earnings per share (TL)	18	1,095980	0,136990	0,701957	0,384167
-From continuing operations (thousand ordinary shares)	18	1,095980	0,136990	0,701957	0,384167
-From discontinued operations (thousand ordinary shares)		-	-	-	-

The accompanying accounting policies and notes presented between pages 8 and 45 form an integral part of these consolidated financial statements.

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

Aygaz Anonim Şirketi and Subsidiaries

**Consolidated comprehensive income statement
for the nine month interim period ended September 30, 2011
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)**

	Not reviewed January 1 - September 30, 2011	Not reviewed July 1 - September 30, 2011	Not reviewed January 1 - September 30, 2010	Not reviewed July 1 - September 30, 2010
Profit for the period	328.314	41.471	211.279	115.273
Other comprehensive income / (loss):				
Change in financial assets revaluation fund	(26.201)	-	61.760	-
Change in financial hedge fund	(1.698)	(1.400)	2.871	(463)
Change in currency translation reserve	731	556	(124)	(240)
Other comprehensive income / (loss) (after tax)	(27.168)	(844)	64.507	(703)
Total comprehensive income	301.146	40.627	275.786	114.570
Attributable to:				
Non-controlling interest	(480)	374	692	23
Parent company	301.626	40.253	275.094	114.547
	301.146	40.627	275.786	114.570

The accompanying accounting policies and notes presented between pages 8 and 45 form an integral part of these consolidated financial statements.

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

Aygaz Anonim Şirketi and Subsidiaries

**Consolidated statement of changes in equity
for the nine month interim period ended September 30, 2011
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)**

	Share capital	Inflation adjustment to share capital	Adjustment to share capital	Valuation fund on financial assets	Currency translation adjustment	Restricted reserves	Risk hedge fund	Retained earnings	Net profit for the period	Equity attributable to equity holders of the parent	Non-controlling interest	Total equity
Balance as of January 1, 2010	300.000	71.504	(7.442)	99.491	378	364.730	(6.384)	577.247	314.604	1.714.128	43.159	1.757.287
Transfers from retained earnings	-	-	-	-	-	8.500	-	306.104	(314.604)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(100.000)	-	(100.000)	(4.148)	(104.148)
Transfers with non controlling interests (note 3)	-	-	-	-	-	-	-	(208)	-	(208)	(3.837)	(4.045)
Subsidiary included to consolidation (note 1)	-	-	-	-	-	-	-	2.009	-	2.009	-	2.009
Comprehensive income for the period	-	-	-	61.760	(124)	-	2.871	-	210.587	275.094	692	275.786
Balance as of September 30, 2010	300.000	71.504	(7.442)	161.251	254	373.230	(3.513)	785.152	210.587	1.891.023	35.866	1.926.889
Balance as of January 1, 2011	300.000	71.504	(7.442)	223.010	476	373.230	(5.690)	783.489	239.465	1.978.042	35.866	2.013.908
Transfers from retained earnings	-	-	-	-	-	11.000	-	228.465	(239.465)	-	-	-
Dividends paid (note 17)	-	-	-	-	-	-	-	(125.000)	-	(125.000)	-	(125.000)
Business combinations (note 3)	-	-	-	-	-	-	-	-	-	-	(1.922)	(1.922)
Comprehensive income for the period	-	-	-	(26.201)	731	-	(1.698)	-	328.794	301.626	(480)	301.146
Balance as of September 30, 2011	300.000	71.504	(7.442)	196.809	1.207	384.230	(7.388)	886.954	328.794	2.154.668	33.464	2.188.132

The accompanying accounting policies and notes presented between pages 8 and 45 form an integral part of these consolidated financial statements.

Aygaz Anonim Şirketi and Subsidiaries**Consolidated cash flow statement****for the nine month interim period ended September 30, 2011****(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)**

		Not Reviewed	Not Reviewed
		January 1- September 30,	January 1- September 30,
	Notes	2011	2010
Cash flows from operating activities			
Net income before tax		360.818	246.634
Adjustments to reconcile net income before tax to net cash provided by operating activities:			
Income from equity participations	10	(31.113)	(61.908)
Depreciation of property, plant and equipment	11	56.671	66.595
Amortisation of intangible assets	12	2.049	1.300
Other provisions		15.006	20.489
Income from revaluation of cost of subsidiary	13	(82.470)	-
Provision for impairment of financial assets	6	20	(33)
Provision for retirement pay		3.714	3.100
Profit on sale of tangible/intangible assets (net)		(2.185)	(1.751)
Allowance for doubtful receivables		949	(522)
Accrual for forward income		(444)	-
Interest income	19	(13.863)	(13.515)
Interest expense	20	873	5.381
Profit on sale of subsidiary	3	(112.159)	-
Other		-	2.026
Operating cash flow before changes in working capital		197.866	267.796
Changes in working capital:			
Trade receivables		(63.998)	45.812
Due from related parties		(5.630)	(15.846)
Inventories		(48.134)	(37.350)
Other receivables and current assets		(20.883)	5.638
Trade payables		9.693	62.798
Due to related parties		(13.090)	(9.982)
Other payables and liabilities		15.106	14.588
Other non current receivables and payables		15.864	(6.790)
Net cash generated from operating activities		86.794	326.664
Income taxes paid		(41.995)	(34.298)
Retirement pay paid		(2.025)	(1.900)
Net cash generated from operations		42.774	290.466
Cash flows from investing activities			
Interest received	19	13.863	13.515
Purchases for subsidiary shares		-	(6.218)
Effect of subsidiary to consolidation (note 1), net		-	5.134
Cash generated from sale of subsidiary (net)		212.233	-
Purchases for property, plant and equipment	11	(70.267)	(38.695)
Purchases for intangible assets	12	(34.042)	(1.986)
Proceeds of sale of tangible/intangible assets		5.273	2.941
Net cash used in investing activities		127.060	(25.309)
Cash flows from financing activities			
Changes in financial borrowings		(150.709)	(266.871)
Dividends paid	17	(125.000)	(100.000)
Dividends paid to non controlling interests		-	(4.148)
Net cash used in financing activities		(275.709)	(371.019)
Net decrease in cash and cash equivalents		(105.875)	(105.862)
Cash and cash equivalents at the beginning of the period	5	362.887	407.893
Cash and cash equivalents related to discontinued operations		-	-
Cash and cash equivalents at the end of the period	5	257.012	302.031

The accompanying accounting policies and notes presented between pages 8 and 45 form an integral part of these consolidated financial statements.

Aygaz Anonim Şirketi and Subsidiaries

Notes to the consolidated financial statements

for the nine month interim period ended September 30, 2011

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

1. Organization and operations of the Company

The main activity of Aygaz Anonim Şirketi (“the Company”) is the purchase of liquid petroleum gas (LPG) in bulk from domestic refineries and the overseas market and delivery to retailers for distribution to customers. As a result of the merger in 2001 with Gaz Aletleri A.Ş., the Company started to manufacture LPG cylinders, LPG tanks, LPG stoves and other supplementary materials which support the Company’s main business and which are necessary equipment for the end-user. In addition, the Company owns LPG vessels and provides transportation service on behalf of other LPG companies. The ultimate and controlling shareholder is Koç Holding A.Ş.

The Company is registered at the Capital Markets Board of Turkey (“CMB”) and 24,27% of its shares have been quoted at the Istanbul Stock Exchange (“ISE”).

The address of the registered office of the Company is as follows:

Büyükdere Cad. No: 145/1 Aygaz Han, Zincirlikuyu, 34394 / İstanbul

Average number of personnel of Aygaz and its subsidiaries (together with referred to as “the Group”) for the interim period ended September 30, 2011 is 1.436 (December 31, 2010: 1.452).

Subsidiaries

Mogaz Petrol Gazları A.Ş. (“Mogaz”), a subsidiary of the Company, is a LPG distribution company. The Group has purchased 2,1% share of Mogaz in March 2010 by paying TL 5.300 thousand and raised Group’s effective control to 100%. According to the related purchase, Group’s effective control on subsidiaries has been changed as shown in the following table.

Akpa Dayanıklı Tüketim LPG ve Akaryakıt Ürünleri Pazarlama A.Ş. (“Akpa”) reached to its current structure with the merger of four subsidiaries of Koç Holding Energy Group at the end of 2001. Before the merger, four companies were operating separately from each other in Bursa, Eskişehir, Ankara and Antalya. At the time of merger the company name was Bursa Gaz ve Ticaret A.Ş., later it was changed to “Akpa Dayanıklı Tüketim Lpg ve Akaryakıt Ürünleri Pazarlama Anonim Şirketi” with the decision of Ordinary General Meeting held on March 17, 2005.

Aygaz Doğal Gaz Toptan Satış A.Ş. (previously “Koç Statoil Gaz Toptan Satış A.Ş.”) and Aygaz Doğal Gaz İletim A.Ş. (previously “Koç Statoil Gaz İletim A.Ş.”) (together “Aygaz Doğal Gaz”) were established in April 2004 with equal shares distribution as a result of the joint venture agreement between Koç Group and Norwegian Statoil Hydro ASA which is one of the leading companies in international fuel and liquid natural gas (LNG) market. The Group has acquired 50% shares of Aygaz Doğal Gaz Toptan Satış A.Ş. and Aygaz Doğal Gaz İletim A.Ş., which were the joint ventures accounted with proportionate consolidation method with effective ownership of 47,99%, from Statoil Hydro ASA paying TL 17.224 thousand for these shares and increased the effective control to 97,99%. In 2010, related to the purchase of Mogaz shares, stated above, the Group’s effective control at Aygaz Doğal Gaz has been raised to 99,00%.

Within July 2010, the Company has restructured its shipping operations under new legal entities, and established Anadoluhisarı Tankercilik A.Ş. (“Anadolu Hisarı”), Kandilli Tankercilik A.Ş. (“Kandilli”), Kuleli Tankercilik A.Ş. (“Kuleli”) and Kuzguncuk Tankercilik A.Ş. (“Kuzguncuk”) with an effective ownership interest of 100%. The main activities of these companies are to purchase, build or rent vessels and to operate them in domestic and/or overseas transportation of crude oil, petroleum products, liquid petroleum gas, natural gas and solid, liquid and liquefied products.

Aygaz Anonim Şirketi and Subsidiaries

Notes to the condensed consolidated financial statements for the nine month interim period ended September 30, 2011 (continued) (Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

1. Organization and operations of the Company (continued)

The details of the Group's subsidiaries are as follows:

Subsidiaries	Place of incorporation and operation	Ownership interest (%)			Principal activity
		September 30, 2011	December 31, 2010	Voting power right	
Akpa	Turkey	99,99%	99,99%	99,99%	Marketing
Mogaz	Turkey	100%	100%	100%	LPG
AES Entek Elektrik Üretimi A.Ş. (“Entek”) (*)	Turkey	-	86,09%	-	Electricity
Eltek Elektrik Enerjisi İthalat İhracat ve Toptan Ticaret A.Ş. (“Eltek”) (*)	Turkey	-	86,09%	-	Electricity
Aygaz Doğal Gaz Toptan Satış A.Ş.	Turkey	99,00%	99,00%	99,00%	LNG
Aygaz Doğal Gaz İletim A.Ş.	Turkey	99,00%	99,00%	99,00%	LNG
Anadolu Hisarı	Turkey	100%	100%	100%	Shipping
Kandilli	Turkey	100%	100%	100%	Shipping
Kuleli	Turkey	100%	100%	100%	Shipping
Kuzguncuk	Turkey	100%	100%	100%	Shipping

(*) As explained in detail in note 3, related with the sales of shares in February 2011, the investments are classified as joint ventures and accounted with proportionate consolidation method.

Investments in associates

In December 2005, Enerji Yatırımları A.Ş. (“EYAŞ”) was established to acquire 51% block shares of Türkiye Petrol Rafinerileri A.Ş. (“TÜPRAŞ”), to participate in Tüpraş's management and its operational decisions as well as to establish and operate in oil refinery related sectors in Turkey.

The details of the Group's associates are as follows:

Investments in associates	Place of incorporation and operation	Ownership interest (%)			Principal activity
		September 30, 2011	December 31, 2010	Voting power right	
EYAŞ	Turkey	20,00%	20,00%	20,00%	Energy
Zinerji (*)	Turkey	56,00%	56,00%	56,00%	Energy

(*) Since Zinerji is a dormant company, it is consolidated with equity method in the accompanying consolidated financial statements even though the ownership of the group is 56%.

Joint ventures

Entek Elektrik Üretimi A.Ş. operates as electricity producer with its' 3 facilities in Bursa, İzmit and İstanbul. In 2009, 15,51% of shares were purchased by the Group and this purchase raised Group's effective control to 86,01%. In 2010, related with the purchase of Mogaz shares stated above, the Group's effective control on Entek has been raised to 86,09%. As explained in detail in note 3, Group had decided to sell 49,62% shares of Entek, which was the Group's subsidiary with 86,09% ownership, to AES Mont Blanc Holdings B.V. Accordingly, the Group's effective control has decreased to 36,47% and classified to joint venture and accounted with proportionate consolidation method. The business name of the company has been changed to AES Entek Elektrik Üretimi A.Ş. (“Entek”).

Aygaz Anonim Şirketi and Subsidiaries

Notes to the condensed consolidated financial statements for the nine month interim period ended September 30, 2011 (continued) (Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

1. Organization and operations of the Company (continued)

Eltek Elektrik Enerjisi İthalat İhracat ve Toptan Ticaret A.Ş. (“Eltek”), was established at the end of 2003 with 46% participation of Entek and mainly engaged in wholesale, purchase, export and import of electricity. In July, 2010 Entek has purchased 54% of Eltek’s shares by paying TL 1.836 thousand and accordingly the effective control has increased to 100%.

Ownership interest (%)				
Joint ventures	Place of incorporation and operation	September 30, 2011	Voting power right (*)	Principal activity
Entek	Turkey	36,47%	49,62%	Electricity

(*) The Group exercises such joint control through the power to exercise the voting rights relating to shares in the companies as a result of ownership interest directly and indirectly by itself and/or as a result of written agreements by certain Koç Family members and companies, whereby the Group exercises control over the voting rights of the shares held by them.

Approval of financial statements:

The condensed consolidated financial statements for the nine month interim period ended on September 30, 2011 are approved in the Board of Directors meeting held on November 4, 2011 to be published and are signed by Assistant General Manager (Finance) Gökhan Tezel and Finance Manager Mehmet Özkan.

2. Basis of presentation of financial statements

The Group’s condensed consolidated financial statements for the nine month interim period ended on September 30, 2011 are prepared in accordance with International Accounting Standards (“IAS”) 34 “Interim Financial Reporting Standards”.

Interim condensed consolidated financial statements do not include all of the disclosures required in year end financial statements and should be evaluated together with the Group’s financial statements as of December 31, 2010.

Accounting standards used in preparation of the Group’s consolidated financial statements are as follows.

2.1 Basis of presentation for consolidated financial statements

The Group maintains its books of account and prepares its statutory financial statements in accordance with accounting principles in the Turkish Commercial Code and tax legislation in Turkish Lira (TL).

Capital Market Board of Turkey (“CMB”) published a comprehensive set of accounting principles in accordance with the Decree Serial: XI, No: 29 on “The Decree for Capital Markets Accounting Standards”. This decree is applicable for the first interim financial statements ended subsequent to 1 January 2008 period. The supplementary decree Serial: XI, No: 29 was issued as an amendment to Decree Serial: XI, No: 25 and states that, the financial statements will be prepared in accordance with the International Financial Reporting Standards (“IAS/IFRS”) as conceded by the European Union (EU). IAS/IFRS will be applied till the time the differences between the IAS/IFRS and the Turkish Accounting/Financial Reporting Standards (“TAS/TFRS”) are declared by the Turkish Accounting Standards Committee (TASC). Therefore, the TAS/TFRS which are in complaint with the applied standards will be adopted.

Aygaz Anonim Şirketi and Subsidiaries

Notes to the condensed consolidated financial statements for the nine month interim period ended September 30, 2011 (continued) (Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

2. Basis of presentation of financial statements (continued)

Consolidated financial statements are prepared on cost basis in thousands of Turkish Lira (TL), except of financial assets and liabilities shown in fair value.

2.2 Changes in accounting policies

As explained in detail in Note 3, Entek, which was accounted in accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” in financial statements dated December 31, 2010, has been identified as “Joint venture” and has been proportionally consolidated in accordance with IFRS 3.

2.3 Comparative informations and reclassifications on prior period financial statements

In order to enable determination of financial status and performance trends, the Group’s condensed consolidated financial statements are prepared in comparison with prior period. In order to provide an accurate comparison with current period, comparative figures are reclassified when necessary and significant differences are explained. Necessary reclassifications have been made in consolidated income statements of September 30, 2010.

- In the consolidated income statement for the periods ended June 30, 2010 and September 30, 2010, foreign exchange gains and losses in “Finance income” and “Finance expense” accounts are reflected with gross amounts. Accordingly such balances have been increased by TL 61.450 and 67.662 thousand respectively.

2.4 New and amended standards and interpretations:

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements as at September 30, 2011 are consistent with those followed in the preparation of the consolidated financial statements as at December 31, 2010, except for the adoption of new standards and IFRIC interpretations summarized below. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

The new standards, amendments and interpretations which are effective as at January 1, 2011 are as follows:

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

This interpretation addresses the accounting treatment when there is a renegotiation between the entity and the creditor regarding the terms of a financial liability and the creditor agrees to accept the entity’s equity instruments to settle the financial liability fully or partially. IFRIC 19 clarifies such equity instruments are “consideration paid” in accordance with paragraph 41 of IAS 39. As a result, the financial liability is derecognized and the equity instruments issued are treated as consideration paid to extinguish that financial liability.

IFRIC 14 Prepayments of a Minimum Funding Requirement (Amended)

The purpose of this amendment was to permit entities to recognize as an asset some voluntary prepayments for minimum funding contributions.

Aygaz Anonim Şirketi and Subsidiaries

Notes to the condensed consolidated financial statements for the nine month interim period ended September 30, 2011 (continued) (Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

2. Basis of presentation of financial statements (continued)

IAS 32 Classifications on Rights Issues (Amended)

This amendment relates to the rights issues offered for a fixed amount of foreign currency which were treated as derivative liabilities by the existing standard. The amendment states that if certain criteria are met, these should be classified as equity regardless of the currency in which the exercise price is denominated.

IAS 24 Related Party Disclosures (Revised)

Amended standard clarified the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduces a partial exemption of disclosure requirements for government-related entities.

In May 2010 the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The amendments that are effective as at January 1, 2011 are as follows:

IFRS 3 Business Combinations

This improvement clarifies that the amendments to IFRS 7 Financial Instruments: Disclosures, IAS 32 Financial Instruments: Presentation and IAS 39 Financial Instruments: Recognition and Measurement, that eliminate the exemption for contingent consideration, do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of IFRS 3 (as revised in 2008).

Moreover, this improvement limits the scope of the measurement choices (fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets) only to the components of non-controlling interest that are present ownership interests that entitle their holders to a proportionate share of the entity's net assets.

Finally, it requires an entity (in a business combination) to account for the replacement of the acquiree's share-based payment transactions (whether obliged or voluntarily), i.e., split between consideration and post combination expenses.

IFRS 7 Financial Instruments: Disclosures

This improvement gives clarifications of disclosures required by IFRS 7 and emphasizes the interaction between quantitative and qualitative disclosures and the nature and extent of risks associated with financial instruments.

IAS 1 Presentation of Financial Statements

This amendment clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.

IAS 27 Consolidated and Separate Financial Statements

This improvement clarifies that the consequential amendments from IAS 27 made to IAS 21 “The Effect of Changes in Foreign Exchange Rates”, IAS “28 Investments in Associates” and IAS 31 “Interests in Joint Ventures”.

Aygaz Anonim Şirketi and Subsidiaries

Notes to the condensed consolidated financial statements for the nine month interim period ended September 30, 2011 (continued) (Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

2. Basis of presentation of financial statements (continued)

IAS 34 Interim Financial Reporting

This improvement provides guidance to illustrate how to apply disclosure principles in IAS 34 and add disclosure requirements.

IFRIC 13 Customer Loyalty Programmes

This improvement clarifies that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken into account.

These new standards, amendments and interpretations did not have a significant effect on the financial position or the performance of the Group.

Standards issued but not yet effective and not early adopted

Up to the date of approval of the interim condensed consolidated financial statements, certain new standards, interpretations and amendments to existing standards have been published but are not yet effective for the current reporting period and which the Group has not early adopted, as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the interim condensed consolidated financial statements and disclosures, after the new standards and interpretations become in effect.

IFRS 9 Financial Instruments – Phase 1 financial instruments, classification and measurement

The new standard is effective for annual periods beginning on or after January 1, 2013. Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial assets. The amendments made to IFRS 9 in October 2010 affect the measurement of fair value option (FVO) liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. Early adoption is permitted. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on the financial position or performance of the Group.

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

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

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Notes to the condensed consolidated financial statements for the nine month interim period ended September 30, 2011 (continued) (Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

2. Basis of presentation of financial statements (continued)

IFRS 7 Financial Instruments: Disclosures as part of its comprehensive review of off balance sheet activities (Amended)

The amendment is effective for annual periods beginning on or after July 1, 2011. The purpose of this amendment is to allow users of financial statements to improve their understanding of transfer transactions of financial assets (e.g. securitizations), including understanding the possible effects of any risks that may remain with the entity which transferred the assets. The amendment also requires additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. This amendment has not yet been endorsed by the EU. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

IFRS 10 Consolidated Financial Statements

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

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

IFRS 11 Joint Arrangements

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

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

IFRS 12 Disclosure of Interests in Other Entities

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

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

Aygaz Anonim Şirketi and Subsidiaries

Notes to the condensed consolidated financial statements for the nine month interim period ended September 30, 2011 (continued) (Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

2. Basis of presentation of financial statements (continued)

IFRS 13 Fair Value Measurement

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

IAS 27 Separate Financial Statements (Amended)

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

IAS 28 Investments in Associates and Joint Ventures (Amended)

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

IAS 19 Employee Benefits (Amended)

Amended standard is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. With very few exceptions retrospective application is required. Numerous changes or clarifications are made under the amended standard. Among these numerous amendments, the most important changes are removing the corridor mechanism and making the distinction between short-term and other long-term employee benefits based on expected timing of settlement rather than employee entitlement. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on the financial position or performance of the Group.

IAS 1 Presentation of Financial Statements (Amended)

The amendments are effective for annual periods beginning on or after 1 July 2012. The amendments to IAS 1 change only the grouping of items presented in other comprehensive income. Items that could be reclassified (or ‘recycled’) to profit or loss at a future point in time would be presented separately from items which will never be reclassified. This standard has not yet been endorsed by the EU. The Group does not expect that this standard will have a significant impact on the financial position or performance of the Group.

Aygaz Anonim Şirketi and Subsidiaries

Notes to the condensed consolidated financial statements for the nine month interim period ended September 30, 2011 (continued) (Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

2. Basis of presentation of financial statements (continued)

2.5 Seasonality of operations

There is no effect of seasonality of operations on the Group’s condensed consolidated financial statements.

Additional paragraph for convenience translation to English

Accounting principles and standards applied in the accompanying financial statements (CMB financial accounting standards) are based on IFRS issued by the International Accounting Standards Board except for the adoption of an earlier date for discontinuation of application of IAS 29 (Financial Reporting in Hyperinflationary Economies). As per CMB financial accounting standards application of inflation accounting was ceased effective as of January 1, 2005 whereas per IFRS it was ceased effective January 1, 2006.

3. Business combinations

The Group, as declared to public disclosure platform of Turkey on December 1, 2010, in accordance with the board of directors meeting decision held on November 30, 2010, has decided to sell 49,62% shares of its subsidiary Entek with a nominal value of TL 49.079 thousand to be paid in cash, when share transfer procedures are completed, to AES-Mont Blanc Holdings B.V. in exchange of USD 136.455 thousand. As of December 31, 2010, the assets and liabilities of the subsidiary held for sale have been classified as assets and liabilities held for sale in accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”. At February 28, 2011 the Group, following the permits granted from EMRA (Energy Market Regulation Authority) and the Turkish Competition Authority, has completed the transfer of shares of Entek. Share transfer price of USD 136.455 thousand is paid in cash to the Company. The sales price, as declared in public disclosure dated December 1, 2010, has been revised based on the financial statements of Entek as of February 28, 2011 as USD 149.581 thousand after finalization of the process.

Sales of Entek shares has been accounted in accordance with IFRS 3 “Business Combinations”. Group has calculated revaluated cost of 36,47% of Entek based on the sales price and has accounted the difference between sales price regarding to sales of Entek shares and net assets value of Entek that belongs to the Group as at sales date as goodwill in the consolidated financial statements in accordance with transition statements of IFRS 3.

Acquisition amount (*)	174.824
Acquired net assets (**)	92.354
Goodwill (note 13)	82.470

(*) States the cost of recalculated value of the investment in joint venture.

(**) Provisionally calculated in accordance with IFRS 3.

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements
for the nine month interim period ended September 30, 2011 (continued)**
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

3. Business combinations (continued)

The fair value of the identifiable assets and liabilities (49,62%) of Entek, which was used as a base for goodwill calculation in accordance with provisionally requirements of IFRS 3; as at the date of acquisition were:

	February 28, 2011
	Fair value
Cash and cash equivalents	25.241
Trade receivables	14.852
Due from related parties	2.090
Property, plant and equipment	111.944
Intangible assets	173
Other assets	5.881
Financial borrowings	(10.456)
Trade payables	(15.689)
Due to related parties	(113)
Deferred tax liabilities	(5.782)
Other liabilities	(2.485)
Net assets controlled (49,62%)	125.656
Non-controlling interest	(33.302)
Total net assets acquired (36,47%)	92.354

As of September 30, 2011, Group has accounted the income amounting to TL 194.629 thousand under “Other operating income” related with the sales of shares of Entek and revaluated cost calculations that amounts to TL 112.159 thousand and TL 82.470 thousand respectively.

The Group’s ownership has been decreased to 36,47% after above mentioned sales, and as the sales process had been realized Entek become a joint venture and proportionally consolidated as of September 30, 2011.

Entek has purchased 54% shares of its affiliate Eltek in July 2010 by paying TL 1.836 thousand and raised its ownership to 100%.

The Group has purchased 2,1% of shares of its subsidiary Mogaz in March 2010 by paying TL 5.300 thousand.

Purchase of shares of Mogaz is evaluated under IAS 27 “Consolidated and Separate Financial Statements”. Consequently, when shares are purchased from a non parent company, the difference between the purchase cost and net asset purchased are accounted as the “Transactions with non controlling interests” under equity.

Aygaz Anonim Şirketi and Subsidiaries

Notes to the condensed consolidated financial statements for the nine month interim period ended September 30, 2011 (continued) (Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

4. Segment reporting

The Group has started to apply IFRS 8 since January 1, 2009. The segmental operations are specified according to the internal reports reviewed regularly by the authority entitled to making decision for the Group’s operations.

The Group’s decision making authority evaluates operations and results according to industrial segments for the purpose of making decisions for assigning resources to the segments and evaluating the segmental performances. The distribution of segmental operations with respect to industrial segments is as follows:

- Gas and petroleum products
- Electricity
- Other

The Group also evaluated disclosure of geographical distribution of revenues for the period in addition to industrial segments. However, the Group concluded that there is no geographical reporting segments as each segment is operating in different geographical areas. The Group Management evaluates financial results and performance based of IFRS financial statements. Therefore, IFRS financial statements are the basis of segmental reporting.

As of September 30, 2011 and December 31, 2010, assets and liabilities according to industrial segments are as follows:

September 30, 2011					
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Assets					
Current assets	762.674	54.073	100.125	(46.730)	870.142
Non-current assets	1.820.029	110.511	61.466	(33.969)	1.958.037
Total assets	2.582.703	164.584	161.591	(80.699)	2.828.179
Liabilities					
Short term liabilities	481.840	23.358	45.200	(46.733)	503.665
Long term liabilities	110.935	16.715	4.889	3.843	136.382
Equity	1.989.928	124.511	111.502	(37.809)	2.188.132
Total liabilities and equity	2.582.703	164.584	161.591	(80.699)	2.828.179
December 31, 2010					
	Gas and petroleum products	Electricity (*)	Other	Consolidation adjustments	Total
Assets					
Current assets	643.577	372.278	123.252	(51.357)	1.087.750
Non-current assets	1.885.960	-	17.970	(188.032)	1.715.898
Total assets	2.529.537	372.278	141.222	(239.389)	2.803.648
Liabilities					
Short term liabilities	476.507	117.747	28.228	(51.427)	571.055
Long term liabilities	208.851	-	4.230	5.604	218.685
Equity	1.844.179	254.602	108.764	(193.637)	2.013.908
Total liabilities and equity	2.529.537	372.349	141.222	(239.460)	2.803.648

(*) As of December 31, 2010, “Entek” has been classified as “Asset held for sale” in accordance with IFRS 5.

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

Aygaz Anonim Şirketi and Subsidiaries

Notes to the condensed consolidated financial statements for the nine month interim period ended September 30, 2011 (continued) (Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

4. Segment reporting (continued)

For the period ended September 30, 2011 and 2010, income statements according to Industrial segments are as flows:

	January 1 - September 30, 2011				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Operating income					
Sales revenue (net)	3.658.984	161.471	251.633	(76.712)	3.995.376
Cost of sales (-)	(3.328.111)	(158.555)	(231.921)	77.826	(3.640.761)
Gross profit	330.873	2.916	19.712	1.114	354.615
Marketing, sales and distribution expenses (-)	(145.675)	-	(4.560)	681	(149.554)
General administrative expenses (-)	(62.297)	(6.665)	(6.670)	944	(74.688)
Research and development expenses (-)	(1.251)	-	-	-	(1,251)
Other operational income (*)	181.012	316	1.556	32.701	215.585
Other operational expenses (-)	(8.464)	(1.326)	(52)	(19)	(9.861)
Operating profit / (loss)	294.198	(4.759)	9.986	35.421	334.846
Profit from investments accounted under equity method	-	-	-	31.113	31.113
Financial income	317.640	5.801	7.401	46	330.888
Financial expense (-)	(327.171)	(4.867)	(3.991)	-	(336.029)
Profit / (loss) from continuing operations before taxation	284.667	(3.825)	13.396	66.580	360.818
Current tax expense for the period (-)	(35.441)	(965)	(1.606)	-	(38.012)
Deferred tax income / (expense)	3.172	2.282	(52)	106	5.508
Profit / (loss) from continuing operations for the period	252.398	(2.508)	11.738	66.686	328.314
Net profit / (loss) for the period	252.398	(2.508)	11.738	66.686	328.314
Attributable to:					
Non controlling interest	-	(480)	-	-	(480)
Parent company	252.398	(2.028)	11.738	66.686	328.794

(*) As stated in note 3, as of September 30, 2011, Group has accounted the income related with the sales of shares of Entek and revaluated cost calculations under “Other operating income”.

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**Notes to the condensed consolidated financial statements
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4. Segment reporting (continued)

	January 1 - September 30, 2010				
	Gas and petroleum products	Electricity (*)	Other	Consolidation adjustments	Total
Operating income					
Sales revenue (net)	2.930.053	305.619	185.391	(66.793)	3.354.270
Cost of sales (-)	(2.609.130)	(297.521)	(170.106)	68.578	(3.008.179)
Gross profit	320.923	8.098	15.285	1.785	346.091
Marketing, sales and distribution expenses (-)	(108.365)	-	(4.855)	507	(112.713)
General administrative expenses (-)	(60.363)	(7.997)	(4.719)	1.184	(71.895)
Research and development expenses (-)	(1.105)	-	-	-	(1.105)
Other operational income	16.094	2.065	1.991	31	20.181
Other operational expenses (-)	(7.482)	-	(55)	(1.592)	(9.129)
Operating profit	159.702	2.166	7.647	1.915	171.430
Profit from investments accounted under equity method	-	-	-	61.909	61.909
Financial income	178.117	15.317	3.487	(101.294)	95.627
Financial expense (-)	(68.103)	(12.333)	(1.876)	-	(82.312)
Profit / (loss) from continuing operations before taxation	269.716	5.150	9.258	(37.470)	246.654
Current tax expense for the period (-)	(35.604)	(865)	(1.904)	-	(38.373)
Deferred tax income	2.663	269	66	-	2.998
Profit / (loss) from continuing operations for the period	236.775	4.554	7.420	(37.470)	211.279
Net profit / (loss) for the period	236.775	4.554	7.420	(37.470)	211.279
Attributable to:					
Non controlling interest	42	649	1	-	692
Parent company	236.733	3.905	7.419	(37.470)	210.587

(*) Effective from year 2010, Eltek has been included into consolidation (note 3).

The amortization and depreciation expense for the industrial segmental assets for the period ended on September 30, 2011 and 2010 are as follows:

	January 1 - September 30, 2011	January 1 - September 30, 2010
Gas and petroleum products	48.480	46.162
Electricity	7.697	21.426
Other	2.543	307
	58.720	67.895

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

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**Notes to the condensed consolidated financial statements
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4. Segment reporting (continued)

The investment expenditures for the industrial segmental assets for the periods ended on September 30, 2011 and 2010 are as follows:

	January 1 - September 30, 2011	January 1 - September 30, 2010
Gas and petroleum products	102.360	40.166
Electricity	1.091	404
Other	858	111
	104.309	40.681

5. Cash and cash equivalents

	September 30, 2011	December 31, 2010
Cash on hand	200	150
Cash at banks	248.551	256.061
- Demand deposits	62.795	56.753
- Time deposits	185.756	199.308
Receivables from credit card transactions	8.261	6.218
Total cash and cash equivalents	257.012	262.429
Cash and cash equivalents of asset held for sale (note 23)	-	100.458
Cash and cash equivalents at consolidated statement of cash flow	257.012	362.887

As of September 30, 2011 the Group's TL time deposits amounting to TL 169.433 thousand have maturities of 3 – 27 days and interest rates of 7,75 – 9,65%; USD time deposits amounting to USD 7.690 thousand (TL 14.190 thousand) have maturities of 3 - 24 days and interest rates of 0,40 – 4,25%; Euro time deposits amounting to Euro 40 thousand (TL 101 thousand) have maturities of 7 days and interest rates of 0,25 – 0,4%. (December 31, 2010 - the Group's TL time deposits amounting to TL 128.672 thousand have maturities of 3 - 31 days and interest rates of 5,50% – 9,28%; USD time deposits amounting to 12.318 thousand (TL 19.043 thousand) with maturities of 7 - 28 days and interest rates of 0,50% – 2,75%; Euro time deposits amounting to Euro 25.096 thousand (TL 51.228 thousand) have maturities of 7 - 21 days and interest rates of 0,40% – 3,00%).

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Notes to the condensed consolidated financial statements for the nine month interim period ended September 30, 2011 (continued) (Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

6. Financial assets

The long term financial assets identified as financial assets held for sale by the Group are as follows as of September 30, 2011 and December 31, 2010:

	September 30, 2011		December 31, 2010	
	Participation amount	Participation rate %	Participation amount	Participation rate %
Koç Finansal Hizmetler A.Ş. (*)	297.470	1,97	325.050	1,97
Ram Dış Ticaret A.Ş. (**)	1.740	2,50	1.740	2,50
Tanı Pazarlama ve İletişim Hizmetleri A.Ş. (***)	540	10,00	540	10,00
Tat Konserve Sanayi A.Ş. (**)	236	0,08	236	0,08
Other (***)	23	-	23	-
Impairment reserve (-)	(1.161)	-	(1.141)	-
	298.848		326.448	

(*) Stated at fair value, the difference between the acquisition cost and fair value are accounted as valuation fund under equity by considering the deferred tax effect.

(**) Stated at fair value, impairments are accounted as “Impairment reserve” under financial assets and impairment loss is recognised.

(***) Stated at cost, because fair value could not be determined reliably.

7. Financial borrowings

a) Short term bank borrowings

	September 30, 2011		December 31, 2010	
	Interest rate (%)	Interest rate (%)	Interest rate (%)	Interest rate (%)
Short term borrowings (TL)	3.019	-	1.800	-
Short term portions of long term borrowings (*)	127	-	805	-
Total short term bank borrowings	3.146	-	2.605	-

(*) Includes interest accruals of long term borrowings.

b) Long term bank borrowings

	September 30, 2011			December 31, 2010		
	Foreign currency amount	TL amount	Interest rate (%)	Foreign currency amount	TL amount	Interest rate (%)
Long term borrowings (*)						
Euro borrowings	-	-	-	53.000	109.407	Euribor + 2,75
USD borrowings	6.519	12.030	Libor + 3,00	-	-	-
Less, short term portion		(127)			(805)	
Total long term borrowings		11.903			108.602	

(*) TL amounts also include interest accruals.

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Notes to the condensed consolidated financial statements for the nine month interim period ended September 30, 2011 (continued) (Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

7. Financial borrowings (continued)

As of September 30, 2011 and December 31, 2010 repayment plan of the Group’s long term borrowings is as follows:

	September 30, 2011	December 31, 2010
2012	11.903	108.602
	11.903	108.602

Considering the current financial situation, future plans and market conditions of the Company; the remaining portion of the borrowing, that was indebted through the loan provided by Koç Holding, as announced in material event disclosure on January 14, 2010, from a consortium that includes various financial institutions, amounting to EUR 53 million with 27 month maturity (April 24, 2012) and Euribor+ 2,75% interest rate is closed earlier than its maturity together with its accumulated interest as of January 28, 2011.

8. Trade receivables and payables

The Group’s trade receivables as September 30, 2011 and December 31, 2010 are as follows:

Current trade receivables	September 30, 2011	December 31, 2010
Trade receivables	291.677	218.352
Notes receivables	57.925	44.832
Allowance for doubtful receivables (-)	(14.511)	(13.957)
Total current trade receivables	335.091	249.227

Non-current trade receivables	September 30, 2011	December 31, 2010
Notes receivable	1.992	847
Total non-current trade receivables	1.992	847

The Group’s trade payables as September 30, 2011 and December 31, 2010 are as follows:

Short term trade payables	September 30, 2011	December 31, 2010
Trade payables	223.865	189.719
Other trade payables	58	101
Total short term trade payables	223.923	189.820

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

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9. Inventories

	September 30, 2011	December 31, 2010
Raw materials	114.214	124.292
Goods in transit	72.736	21.633
Trade goods	12.746	7.796
Finished goods	5.781	4.483
Work in process	1.443	582
Allowance for impairment on inventory	(229)	(229)
Total inventories	206.691	158.557

As of September 30, 2011, the inventories comprise of 78.284 tons of LPG (December 31, 2010: 53.023 tons).

10. Equity investments

	September 31, 2011		December 31, 2010	
	Participation amount	Participation rate %	Participation amount	Participation rate %
Enerji Yatırımları A.Ş. acquisition value	669.400		669.400	
Adjustment to share capital	(7.442)		(7.442)	
Currency translation reserve	1.207		476	
Legal reserves	5.108		3.195	
Financial risk hedge fund	(7.388)		(5.690)	
The share of the Group in the profit after the acquisition date	222.070		192.874	
	882.955	20,00%	852.813	20,00%
Zinerji Enerji Sanayi ve Tic. A.Ş. Impairment reserve (-)	738 (371)		738 (375)	
	367	56,00%	363	56,00%
Total	883.322		853.176	

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

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Notes to the condensed consolidated financial statements for the nine month interim period ended September 30, 2011 (continued) (Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

11. Property, plant and equipment

Acquisition cost	Land	Land Improvements	Buildings	Plant, machinery, equipment and LPG cylinders	Vehicles and vessels	Furnitures and fixtures	Leasehold improvements	Construction in progress	Total
Opening balance as of January 1, 2011	15.531	96.551	62.788	1.442.704	168.166	46.421	22.188	7.976	1.862.325
Business combinations (note 3)	5.958	4.082	5.876	176.777	29	1.289	501	4.976	199.488
Additions (*)	14	-	-	11.818	3.604	345	23	54.463	70.267
Transfers (**)	-	3	-	37.671	439	2.643	520	(41.287)	(11)
Disposals	-	(330)	(29)	(21.381)	(5.327)	(1.373)	-	-	(28.440)
Ending balance as of September 30, 2011	21.503	100.306	68.635	1.647.589	166.911	49.325	23.232	26.128	2.103.629
Accumulated depreciation									
Opening balance as of January 1, 2011	-	39.287	39.758	1.114.113	136.314	36.311	21.236	-	1.387.019
Business combinations (note 3)	-	2.638	1.717	81.428	29	1.096	401	-	87.309
Charge of the period	-	2.731	1.421	46.156	3.422	2.522	419	-	56.671
Disposals	-	(287)	(4)	(20.363)	(4.803)	(1.257)	-	-	(26.714)
Ending balance as of September 30, 2011	-	44.369	42.892	1.221.334	134.962	38.672	22.056	-	1.504.285
Net book value as of September 30, 2011	21.503	55.937	25.743	426.255	31.949	10.653	1.176	26.128	599.344

(*) The Company, has purchased the usage rights of licences of Totalgaz brand in exchange of TL 32.800 thousand and reflected the related amount under intangible assets.

(**) TL 11 thousand under construction in progress under the account property, plant and equipment has been classified to intangible fixed assets.

Acquisition cost	Land	Land Improvements	Buildings	Plant, machinery, equipment and LPG cylinders	Vehicles and vessels	Furnitures and fixtures	Leasehold improvements	Construction in progress	Total
Opening balance as of January 1, 2010	29.635	100.573	72.626	1.805.960	157.364	46.856	23.001	6.741	2.242.756
Additions	-	10	53	16.734	1.129	1.464	214	19.091	38.695
Transfers	-	48	(48)	1.148	7.767	158	-	(9.073)	-
Disposals	-	(167)	-	(18.132)	(893)	(1.890)	-	(2.024)	(23.106)
Ending balance as of September 30, 2010	29.635	100.464	72.631	1.805.710	165.367	46.588	23.215	14.735	2.258.345
Accumulated depreciation									
Opening balance as of January 1, 2010	-	40.953	41.260	1.262.775	128.507	37.361	20.490	-	1.531.346
Charge of the period	-	2.634	1.560	55.912	2.902	2.352	1.235	-	66.595
Transfers	-	-	-	(5.117)	5.117	-	-	-	-
Disposals	-	(112)	-	(17.517)	(644)	(1.619)	-	-	(19.892)
Ending balance as of September 30, 2010	-	43.475	42.820	1.296.053	135.882	38.094	21.725	-	1.578.049
Net book value as of September 30, 2010	29.635	56.989	29.811	509.657	29.485	8.494	1.490	14.735	680.296

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements
for the nine month interim period ended September 30, 2011 (continued)**
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

12. Intangible assets

	Rights	Other intangible fixed assets	Total
Acquisition costs			
Opening balance as of January 1, 2011	16.214	-	16.214
Business combinations (note 3)	230	324	554
Additions (*)	34.006	36	34.042
Disposals	(1.382)	-	(1.382)
Transfers (**)	11	-	11
Ending balance as of September 30, 2011	49.079	360	49.439
Accumulated depreciation			
Opening balance as of January 1, 2011	8.495	-	8.495
Business combinations (note 3)	119	262	381
Charge for the period	2.029	20	2.049
Disposals	(20)	-	(20)
Ending balance as of September 30, 2011	10.623	282	10.905
Carrying value as of September 30, 2011	38.456	78	38.534

(*) The Company, has purchased the usage rights of licences of Totalgaz brand in exchange of TL 32.800 thousand and reflected the related amount under intangible assets.

(**) TL 11 thousand under construction in progress under the account property, plant and equipment has been classified to intangible fixed assets.

	Rights	Other intangible fixed assets	Total
Acquisition costs			
Opening balance as of January 1, 2010	15.306	642	15.948
Additions	1.799	187	1.986
Additions related to subsidiary included into consolidation (note 1)	313	1	314
Ending balance as of September 30, 2010	17.418	830	18.248
Accumulated depreciation			
Opening balance as of January 1, 2010	11.518	473	11.991
Charge for the period	1.240	60	1.300
Additions related to subsidiary included into consolidation (note 1)	203	1	204
Ending balance as of September 30, 2010	12.961	534	13.495
Carrying value as of September 30, 2010	4.457	296	4.753

Aygaz Anonim Şirketi and Subsidiaries

Notes to the condensed consolidated financial statements for the nine month interim period ended September 30, 2011 (continued) (Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

13. Goodwill

As stated in Note 3, the Group has sold 49,62% of Entek, which was the Group’s subsidiary with 86,09% effective ownership, to AES Mont Blanc Holdings B.V. in exchange of USD 149.581 thousand. Group has calculated the revaluated cost of 36,47% of Entek based on the sales price and as of September 30, 2011, has accounted TL 82.470 thousand, the difference between sales price regarding to sales of Entek shares and net assets value of Entek that belongs to the Group as at February 28, 2011, as goodwill in the consolidated financial statements in accordance with transition statements of IFRS 3 (Note 3).

14. Provisions, contingent liabilities and assets

	September 30, 2011	December 31, 2010
Guarantees given		
Letter of guarantees given to customs for gas import	42.886	33.807
Other letter of guarantees given	13.720	33.755
Total guarantees given	56.606	67.562

The liability for environmental pollution:

According to the effective environmental laws, the Group is responsible for the environmental pollution it causes as a result of its operational activities without seeking a reason of defaulting. The Group may be fined with indemnity if the Group causes an environmental pollution. As of the balance sheet date, there is no material case opened against the Group.

National inventory reserve liability:

Oil refineries, licenced oil and LPG distributors should carry at least equivalent of 20 times their average daily sales of inventory in their storage tanks or the rented storage tanks of licenced third parties.

Commitments of EYAŞ resulting from acquisition of Tüpraş:

The agreements of EYAŞ related with the loans taken for Tüpraş acquisition have certain covenants regarding dividend distribution of EYAŞ and usage of dividend payments of Tüpraş. Moreover, EYAŞ has various financial and non-financial commitments related to these loans and acquisition of Tüpraş. If these commitments are not met by EYAŞ, the financial institutions have rights to recall these loans.

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements
for the nine month interim period ended September 30, 2011 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)**

14. Provisions, contingent liabilities and assets (continued)

The Company’s guarantee, pledge and mortgage (GPM) position as at September 30, 2011 and December 31, 2010 is as follows:

	September 30, 2011				December 31, 2010			
	Euro guarantees	USD guarantees	TL guarantees	TL total	Euro guarantees	USD guarantees	TL guarantees	TL total
A. GPMs given on behalf of the Company’s legal personality	27.938	435	28.233	56.606	22.699	23.551	21.312	67.562
B. GPMs given in favor of subsidiaries included in full consolidation	-	-	-	-	-	-	-	-
C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-	-
D. Other GPM’s								
i. - GPMs given in favor of parent company	-	-	-	-	-	-	-	-
ii. - GPMs given in favor of companies not in the scope of B and C above	-	-	-	-	-	-	-	-
iii. - GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-	-
Total amount of GPM	27.938	435	28.233	56.606	22.699	23.551	21.312	67.562

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

Aygaz Anonim Şirketi and Subsidiaries

Notes to the condensed consolidated financial statements
for the nine month interim period ended September 30, 2011 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

15. Other liabilities

	September 30, 2011	December 31, 2010
Other payables		
Due to personnel	3.837	17.880
Other payables	351	277
Total other payables	4.188	18.157

	September 30, 2011	December 31, 2010
Other long term payables		
Cylinder deposits received	65.933	53.299
Total other long term payables	65.933	53.299

16. Other short/long-term assets and liabilities

	September 30, 2011	December 31, 2010
Other current assets		
Prepaid expenses	28.426	23.386
Advances given	8.119	544
VAT carried forward	3.173	91
Income accrual	1.127	56
VAT deductible	277	1.611
Prepaid tax	71	26
Other current assets	6.698	1.387
Total other current assets	47.891	27.101

	September 30, 2011	December 31, 2010
Other non-current assets		
Prepaid expenses	46.862	51.044
Advances given for property, plant and equipment purchases	2.027	1.214
Other non-current assets	4.540	-
Total other non-current assets	53.429	52.258

	September 30, 2011	December 31, 2010
Other short term liabilities		
Taxes and funds payable	96.477	77.932
Expense accruals	48.354	33.988
Advances taken	8.030	117
Expense accruals	4.242	894
Social security premiums payable	2.139	1.907
Other liabilities	4.549	2.178
Total other short term liabilities	163.791	117.016

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements
for the nine month interim period ended September 30, 2011 (continued)**
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

17. Share capital

As of September 30, 2011 and December 31, 2010 the share capital held is as follows:

Shareholders	Participation rate	September 30, 2011	Participation rate	December 31, 2010
Koç Holding A.Ş.	40,68%	122.054	40,68%	122.054
Liquid Petroleum Gas Development Company	24.52%	73.546	24.52%	73.546
Temel Ticaret ve Yatırım A.Ş.	5,29%	15.884	5,29%	15.884
Koç Family	5,24%	15.705	5,24%	15.705
Other	24,27%	72.811	24,27%	72.811
Nominal capital	100,00%	300.000	100,00%	300.000
Inflation adjustment		71.504		71.504
Adjusted capital		371.504		371.504

In the Ordinary General Meeting held on March 30, 2011, the Company has decided to reserve TL 11.000 thousand as legal reserves and distribute totally TL 125.000 thousand as gross dividends from the net distributable income of 2010. According to this decision, the Company has begun dividend payments on April 6, 2011.

18. Earnings per share

Earnings per share for each class of share disclosed in the consolidated income statements is determined by dividing the net income attributable to that class of share by the weighted average number of shares of that class that have been outstanding during the year.

The companies can increase their share capital by making a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings and revaluation surplus calculated. In earnings per share calculation, this bonus share issuance is accepted as shares issued. Hence, weighted average stock share, which is used in the calculation of earnings per share, is acquired by retrospective application of bonus share issue.

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements
for the nine month interim period ended September 30, 2011 (continued)**
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

18. Earnings per share (continued)

Earnings per share in terms of share groups is as follows:

	January 1 – September 30, 2011	July 1 – September 30, 2011	January 1 – September 30, 2010	July 1 – September 30, 2010
Average number of shares throughout the period (thousand)	300.000	300.000	300.000	300.000
Net income for the period belonging to main shareholders	328.794	41.097	210.587	115.250
Less: Net income/(loss) for the year from discontinued operations	-	-	-	-
Net income from continuing operations for calculation of dividends per share	328.794	41.097	210.587	115.250
Dividend per thousand shares from continuing and discontinued operations	1,095980	0,136990	0,701957	0,384167
Net income per share from continuing operations				
- Thousand ordinary shares (TL)	1,095980	0,136990	0,701957	0,384167
Net income per share from discontinued operations				
- Thousand ordinary shares (TL)	-	-	-	-

19. Financial income

Financial income for the period ended September 30, 2011 and 2010 are as follows:

	January 1 September 30, 2011	July 1 - September 30, 2011	January 1 September 30, 2010	July 1 September 30, 2010
Foreign exchange translation gain	300.831	185.554	74.273	7.736
Income generated from maturity differences of sales made on credit	15.740	6.842	7.684	2.824
Interest income	13.863	5.569	13.670	4.109
Fair value differences on forward transactions	454	396	-	-
	330.888	198.361	95.627	14.669

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements
for the nine month interim period ended September 30, 2011 (continued)**
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

20. Financial expense

Financial expense for the periods ended September 30, 2011 and 2010 are as follows:

	January 1 - September 30, 2011	July 1 - September 30, 2011	January 1 - September 30, 2010	July 1 - September 30, 2010
Foreign exchange translation loss	(323.014)	(195.602)	(67.662)	(6.211)
Expenses generated from maturity differences of credit purchases	(11.706)	(4.507)	(6.249)	(2.167)
Interest expenses	(873)	(100)	(5.388)	(1.389)
Credit commission expense	-	-	(2.962)	(531)
Other financial expenses	(436)	(191)	(51)	145
	(336.029)	(200.400)	(82.312)	(10.153)

21. Tax assets and liabilities

	September 30, 2011	December 31, 2010
Current tax liability:		
Current corporate tax provision	37.865	46.348
Less: Prepaid taxes and funds	(29.779)	(34.177)
	8.086	12.171

	January 1- September 30, 2011	January 1- September 30, 2010
Tax expense in income statement		
From continuing operations		
Current tax liability;		
Current corporate tax provision	(38.012)	(38.373)
Deferred tax (expense) / income	5.508	2.998
	(32.504)	(35.375)

Corporate tax

The Group is subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the years and periods.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

The effective rate of tax in 2011 is 20% (2010: 20%).

Aygaz Anonim Şirketi and Subsidiaries

Notes to the condensed consolidated financial statements for the nine month interim period ended September 30, 2011 (continued) (Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

21. Tax assets and liabilities (continued)

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate in 2011 is 20% (2010: 20%). Losses are allowed to be carried 5 years maximum to be deducted from the taxable profit of the following years. Tax carry back is not allowed.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for IFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of income and expenses in different reporting periods for IFRS and tax purposes and they are given below.

Income withholding tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 15% starting from April 24, 2003. This rate was changed to 15% commencing from July 23, 2006. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

Withholding tax at the rate of 19,8% is still applied to investment allowances relating to investment incentive certificates obtained prior to April 24, 2003. Subsequent to this date, companies can deduct 40% of the investments within the scope of the investment incentive certificate and that are directly related to production facilities of the Company. The investments without investment incentive certificates do not qualify for tax allowance.

Investment incentives certificates

Investment incentive certificates are revoked commencing from January 1, 2006. If companies cannot use investment incentive due to inadequate profit, such outstanding investment incentive can be carried forward to following years so as to be deducted from taxable income of subsequent profitable years. However the companies can deduct the carried forward outstanding allowance from 2006, 2007 and 2008 taxable income. The investment incentive amount that cannot be deducted from 2008 taxable income will not be carried forward to following years.

A new arrangement related to implementation of investment incentives has been introduced in Law no:5, dated August 1, 2010 and published in Official Gazette No: 27659. With this new arrangement and the decision of Supreme Court, no time limit has been mentioned related to usage of investment incentives circulating form 2005, but the usage of investment incentive is limited to 25% of the revenue. Accordingly taxpayers are required to pay 20% of their remaining 75% revenue, after using investment incentives, as corporate tax.

Entek Elektrik Üretimi A.Ş., Group's subsidiary has investment incentives with withholding tax amounting to TL 186.401 thousand and investment incentives without withholding tax amounting to TL 22.764 thousand. The Group's management, according to their projections, have calculated deferred tax asset on investment incentives to be used in potential future income.

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements
for the nine month interim period ended September 30, 2011 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)**

21. Tax assets and liabilities (continued)

Deferred tax assets and liabilities

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between the financial statements as reported for IFRS purposes and financial statements prepared in accordance with the tax legislation. These differences arise from the differences in accounting periods for the recognition of income and expenses in accordance with IFRS and tax legislation. The rate applied in the calculation of deferred tax assets and liabilities is 20% for 2011 (2010: 20%).

Deferred tax (assets)/liabilities:	September 30, 2011	December 31, 2010
Restatement and depreciation / amortization differences of property, plant and equipment and other intangible assets	38.455	31.246
Revaluation fund on financial assets	10.358	11.737
Valuation of inventories	110	1.491
Provision for employment termination benefits	(3.707)	(3.347)
Investment allowance	(2.444)	-
Used accumulated losses	(1.544)	-
Other	(1.463)	(1.196)
	39.765	39.931

In Turkey, because the companies cannot declare consolidated VAT refund, subsidiaries with deferred tax assets and subsidiaries with deferred tax liabilities cannot be netted off and are shown separately.

	September 30, 2011			December 31, 2010		
	Deferred tax			Deferred tax		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Aygaz A.Ş.	(4.518)	35.077	30.559	(4.024)	38.720	34.696
Mogaz Petrol Gazları A.Ş.	(2.515)	5.782	3.267	(2.482)	6.425	3.943
Akpa A.Ş.	(304)	247	(57)	(249)	140	(109)
Entek Elektrik Üretim A.Ş.	(4.337)	8.773	4.436	-	-	-
Aygaz Doğal Gaz	(88)	1.648	1.560	(22)	1.423	1.401
	(11.762)	51.527	39.765	(6.777)	46.708	39.931

Movement of deferred tax from continuing operations is as follows:

	January 1- September 30, 2011	January 1- September 30, 2010
Movement of deferred tax (asset) / liability:		
Opening balance as of January 1	39.931	48.359
Deferred tax expense / (income)	(5.508)	(2.998)
Deferred tax associated with financial asset revaluation fund	(1.376)	3.252
Business combinations	6.718	-
Closing balance as of September 30	39.765	48.613

Aygaz Anonim Şirketi and Subsidiaries**Notes to the condensed consolidated financial statements
for the nine month interim period ended September 30, 2011 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)****22. Transactions with related parties**

Balances with related parties	September 30, 2011			
	Receivables		Payables	
	Trade	Non-trade	Trade	Non-trade
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	9.029	-	36.428	-
Ford Otomotiv Sanayi A.Ş.	2.130	-	-	-
Arçelik A.Ş.	1.645	-	28.682	-
Yapı Kredi Bankası A.Ş.	1.444	-	4	-
Tofaş Türk Otomobil Fabrikası A.Ş.	832	-	-	-
Zer Merkezi Hizmetler ve Ticaret A.Ş. (**)	696	-	4.410	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	532	-	16	-
Harranova Besi ve Tarım Ürünleri A.Ş.	423	-	-	-
Palmira Turizm Ticaret A.Ş.	357	-	1	-
Türk Traktör ve Ziraat Makinaları A.Ş.	335	-	-	-
Otokar Otobüs Karoseri Sanayi A.Ş.	301	-	11	-
Demir Export A.Ş.	263	-	-	-
Vehbi Koç Vakfı Koç Üniversitesi	233	-	-	-
Vehbi Koç Vakfı Amerikan Hastanesi	180	-	-	-
Opet Petrolcülük A.Ş.	122	-	20.055	-
Marmaris Altinyunus Turistik Tesisleri A.Ş.	99	-	-	-
Koçnet Haberleşme Teknoloji ve İlet. Hizm. A.Ş.	83	-	108	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	70	-	915	-
Otokoç Otomotiv Tic. ve San. A.Ş.	68	-	425	-
Düzye Tüketim Malları Pazarlama A.Ş.	53	-	37	-
Tek-Art Kalamış ve Fenerbahçe Mar. Tur. Tes. A.Ş.	38	-	-	-
Setur Servis Turistik A.Ş.	33	-	55	-
Yapı Kredi Kültür Sanat Yayıncılık Tic.ve San. A.Ş.	24	-	-	-
R.M.K ve Mahdumları Mad. İnş.Tur.Yat. ve Tic. A.Ş.	19	-	7	-
Altinyunus Çeşme Turistik Tesisler. A.Ş.	17	-	-	-
Tat Konserve Sanayi A.Ş.	12	-	-	-
Ayvalık Marina ve Yat İşl. San. ve Tic. A.Ş.	7	-	-	-
Setur Yalova Marina İşletmeciliği A.Ş. (4)	6	-	-	-
Koç Tüketici Finansmanı A.Ş.	6	-	-	-
Çengelhan Rahmi Koç Müzesi	2	-	-	-
Callus Bilgi ve İletişim Hizmetleri A.Ş.	-	-	103	-
Promena Elektronik Ticaret A.Ş.	-	-	16	-
Ram Dış Ticaret A.Ş.	-	-	4.189	-
Tanı Pazarlama ve İletişim Hizmetleri A.Ş.	-	-	761	-
Ram Sigorta Aracılık Hizmetleri A.Ş. (***)	-	-	338	-
Ark İnşaat A.Ş.	-	-	155	-
Opet-Fuchs Madeni Yağlar	-	-	23	-
Setair Hava Taşımacılığı ve Hizm. A.Ş.	-	-	4	-
East Marine Denizcilik ve Turizm A.Ş.	-	-	2	-
Vehbi Koç Vakfı	-	-	-	-
Arçelik LG Klima San. ve Tic. A.Ş.	-	-	-	-
Beldesan Otomotiv Yan Sanayii ve Tic. A.Ş.	-	-	-	-
THY Opet Havacılık Yakıtları A.Ş.	-	-	-	-
RMK Marine Gemi Yapım San. ve Deniz Taş. İşl. A.Ş.	-	-	-	-
Koç Finansal Hizmetler A.Ş.	-	-	-	-
Shareholdersr				
Koç Holding A.Ş.	17	-	509	-
Investments accounted under equity method				
Zinerji Enerji Sanayi ve Ticaret A.Ş.	482	-	-	-
	19.558	-	97.254	-

(*) Group companies include Koç Group companies.

(**) Zer Merkezi Hizmetler ve Ticaret A.Ş. (“Zer”) provides purchasing services for various item to the Group. As of balance sheet date, trade payables consist of Group’s payables to third party insurance companies in exchange of insurance services and payables to Ram Sigorta for commissions for intermediary activities.

(***) Ram Sigorta Aracılık Hizmetleri A.Ş. (“Ram Sigorta”) provides insurance services to the Group. As of balance sheet date, trade payables consist of Group’s payables to third party insurance companies in exchange of insurance services and payables to Ram Sigorta for commissions for intermediary activities.

Aygaz Anonim Şirketi and Subsidiaries**Notes to the condensed consolidated financial statements
for the nine month interim period ended September 30, 2011 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)****22. Transactions with related parties (continued)**

As of September 30, 2011; dividends payable amounting to TL 337 thousand (December 31, 2010 – TL 267 thousand) is reflected within other payables at the consolidated balance sheet.

Balances with related parties	December 31, 2010			
	Receivables (****)		Payables (****)	
	Trade	Non-trade	Trade	Non-trade
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	9.119	-	19.625	-
Ford Otomotiv Sanayi A.Ş.	6.200	-	-	-
Yapı Kredi Bankası A.Ş.	1.755	-	90	-
Tofaş Türk Otomobil Fabrikası A.Ş.	1.156	-	-	-
Arçelik A.Ş.	828	-	13.382	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.(**)	827	-	8.241	-
Türk Traktör ve Ziraat Makinaları A.Ş.	817	-	7	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	629	-	221	-
Demir Export A.Ş.	498	-	-	-
Opet Petrolcülük A.Ş.	498	-	54.305	-
Otokar Otobüs Karoseri Sanayi A.Ş.	482	-	-	-
Tat Konserve Sanayi A.Ş.	361	-	-	-
Vehbi Koç Vakfı Koç Üniversitesi	357	-	-	-
Vehbi Koç Vakfı Amerikan Hastanesi	298	-	2	-
RMK Marine Gemi Yapım San. ve Deniz Taş. İşl. A.Ş.	180	-	49	-
Palmira Turizm Ticaret A.Ş.	150	-	78	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	116	-	4.977	-
Harranova Besi ve Tarım Ürünleri A.Ş.	111	-	-	-
Tek-Art Kalamış ve Fenerbahçe Mar. Tur. Tes. A.Ş.	100	-	-	-
Vehbi Koç Vakfı	76	-	100	-
Marmaris Altinyunus Turistik Tesisleri A.Ş.	72	-	5	-
Kanel Kangal Elektrik A.Ş.	69	-	-	-
Setur Servis Turistik A.Ş.	48	-	245	-
Arçelik LG Klima San. ve Tic. A.Ş.	40	-	-	-
Düzeç Tüketim Malları Pazarlama A.Ş.	38	-	117	-
Otokoç Otomotiv Tic. ve San. A.Ş.	36	-	313	-
Yapı Kredi Kültür Sanat Yayıncılık Tic.ve San. A.Ş.	30	-	-	-
Altinyunus Çeşme Turistik Tesisler. A.Ş.	19	-	-	-
THY Opet	17	-	-	-
Ayvalık Marina ve Yat İşl. San. ve Tic. A.Ş.	13	-	-	-
Beldesana Otomotiv Yan Sanayii ve Tic. A.Ş.	5	-	-	-
Küsel Ltd.Şti.	2	-	-	-
Ark İnşaat A.Ş.	-	-	1.323	-
Bilkom Bilişim Hizmetleri A.Ş.	-	-	1	-
Koçnet Haberleşme Teknoloji ve İlet. Hizm. A.Ş.	-	-	183	-
Koç Yapı Malzemeleri Ticaret A.Ş.	-	-	3	-
Opet-Fuchs Madeni Yağlar	-	-	91	-
Promena Elektronik Ticaret A.Ş.	-	-	21	-
Ram Dış Ticaret A.Ş.	-	-	6.031	-
Ram Sigorta Aracılık Hizmetleri A.Ş. (***)	-	-	116	-
Setair Hava Taşımacılığı ve Hizm. A.Ş.	-	-	189	-
Tanı Pazarlama ve İletişim Hizmetleri A.Ş.	-	-	830	-
Oriente Klassik Giyim San.ve Tic.A.Ş.	-	-	11	-
İltur Gemicilik	-	-	9	-
Callus Bilgi ve İletişim Hizmetleri A.Ş.	-	-	57	-
Shareholders				
Koç Holding A.Ş.	-	-	9	-
Investments accounted under equity method				
Zinerji Enerji Sanayi ve Ticaret A.Ş.	325	-	-	-
	25.272	-	110.631	-

(*) Group companies include Koç Group companies.

(**) Zer Merkezi Hizmetler ve Ticaret A.Ş. (“Zer”) provides purchasing services for various item to the Group. As of balance sheet date, trade payables consist of Group’s payables to third party insurance companies in exchange of insurance services and payables to Ram Sigorta for commissions for intermediary activities.

(***) Ram Sigorta Aracılık Hizmetleri A.Ş. (“Ram Sigorta”) provides insurance services to the Group. As of balance sheet date, trade payables consist of Group’s payables to third party insurance companies in exchange of insurance services and payables to Ram Sigorta for commissions for intermediary activities.

(****) As stated in note 23, Entek has been classified as “Asset Held for Sale” in the balance sheet. Related party receivables and payables of Entek have been included in related party disclosure.

Aygaz Anonim Şirketi and Subsidiaries**Notes to the condensed consolidated financial statements
for the nine month interim period ended September 30, 2011 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)****22. Transactions with related parties (continued)**

Transactions with related parties	January 1 – September 30, 2011			
	Purchases (Goods)	Sales (Goods)	Purchases (Service)	Sales (Service)
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	392.215	205.009	972	-
Opet Petrolcülük A.Ş. (**)	114.852	3.080	220	55
Arçelik A.Ş.	65.861	10.524	52	-
Ram Dış Ticaret A.Ş.	16.918	-	181	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	9.093	3.182	18.566	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	1.015	322	3.489	-
Opet-Fuchs Madeni Yağlar	335	3	-	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	270	1.932	21	-
Koçnet Haberleşme Teknoloji ve İlet. Hizm. A.Ş.	36	47	867	-
Ford Otomotiv Sanayi A.Ş.	13	30.250	-	-
Otokoç Otomotiv Tic. ve San. A.Ş.	8	1.927	3.004	-
Otokar Otobüs Karoseri Sanayi A.Ş.	5	3.397	82	-
Arçelik LG Klima San. ve Tic. A.Ş.	5	-	-	-
Oriente Klassik Giyim San.ve Tic.A.Ş.	3	-	-	-
Bilkom Bilişim Hizmetleri A.Ş.	7	-	-	-
East Marine Denizcilik ve Turizm A.Ş.	-	-	2	-
Palмира Turizm Ticaret A.Ş.	2	817	88	-
Düzyer Tüketim Malları Pazarlama A.Ş.	1	112	332	-
Demir Export A.Ş.	-	11.126	-	-
Tofaş Türk Otomobil Fabrikası A.Ş.	-	5.852	1	-
Türk Traktör ve Ziraat Makinaları A.Ş.	-	4.488	-	-
Yapı Kredi Bankası A.Ş.	-	5.789	9	-
R.M.K ve Mahdumları Mad. İnş.Tur.Yat. ve Tic. A.Ş.	-	738	6	-
RMK Marine Gemi Yapım San. ve Deniz Taş. İşl. A.Ş.	-	100	-	-
Vehbi Koç Vakfı Koç Üniversitesi	-	1.061	187	-
Tat Konserve Sanayi A.Ş.	-	703	-	-
Koç Tüketici Finansmanı A.Ş.	-	32	-	-
Vehbi Koç Vakfı Amerikan Hastanesi	-	820	40	-
Harranova Besi ve Tarım Ürünleri A.Ş.	-	1.316	-	-
Marmaris Altinyunus Turistik Tesisleri A.Ş.	-	445	5	-
Altinyunus Çeşme Turistik Tesisler. A.Ş.	-	304	-	7
Tek-Art Kalamış ve Fenerbahçe Mar. Tur. Tes. A.Ş.	-	236	-	-
VKV Koç Özel İlköğretim Okulu	-	118	-	-
Setur Servis Turistik A.Ş.	-	174	2.687	-
Ayvalık Marina ve Yat İşl. San. ve Tic. A.Ş.	-	38	-	-
THY Opet Havacılık Yakıtları A.Ş.	2	26	-	-
Setur Yalova Marina İşletmeciliği A.Ş. (4)	-	21	-	-
Beldesan Otomotiv Yan Sanayii ve Tic. A.Ş.	-	10	-	-
Çengelhan Rahmi Koç Müzecilik	-	11	-	-
Vehbi Koç Vakfı	-	6	-	-
Setair Hava Taşımacılığı ve Hizm. A.Ş.	-	-	2.093	-
Tanı Pazarlama ve İletişim Hizmetleri A.Ş.	-	-	1.378	-
Callus Bilgi ve İletişim Hizmetleri A.Ş.	-	-	667	-
Ark İnşaat A.Ş.	-	-	169	-
Yapı Kredi Sigorta A.Ş.	-	-	51	-
Promena Elektronik Ticaret A.Ş.	-	-	105	-
Yapı Kredi Spor Klübü Derneği	-	-	39	-
Yapı Kredi Yatırım Menkul Değerler A.Ş.	-	-	19	-
Koç Topluluğu Yöneticileri Derneği	-	-	2	-
Haremlik Gıda Dekorasyon ve Ekipmanları San. Tic. Ltd. Şti.	-	-	1	-
Yapı Kredi Faktoring A.Ş.	-	-	1	-
Shareholders				
Koç Holding A.Ş.	-	94	2.717	-
	600.641	294.110	38.053	62

(*) Group companies include Koç Group companies.

(**) Commission expense regarding LPG sold at Opet stations as of September 30, 2011 is TL 57.080 thousand (September 30, 2010 - TL 45.275 thousand). The commission expense mentioned above is evaluated as part of sales and accounted under income statement as sales discounts.

Aygaz Anonim Şirketi and Subsidiaries**Notes to the condensed consolidated financial statements
for the nine month interim period ended September 30, 2011 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)****22. Transactions with related parties (continued)**

Transactions with related parties	January 1 - September 30, 2010			
	Purchases (Goods)	Sales (Goods)	Purchases (Service)	Sales (Service)
Group companies (**)				
Türkiye Petrol Rafinerileri A.Ş.	265.531	148.232	948	-
Opet Petrolcülük A.Ş. (*)	69.062	1.309	378	337
Arçelik A.Ş.	51.969	7.634	53	-
Ram Dış Ticaret A.Ş.	19.678	-	194	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	9.913	2.851	19.804	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	2.097	398	2.405	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	819	2.449	27	-
Opet-Fuchs Madeni Yağlar	296	-	-	-
Arçelik LG Klima San. ve Tic. A.Ş.	143	380	1	-
Palmira Turizm Ticaret A.Ş.	46	720	16	-
Koçnet Haberleşme Teknoloji ve İlet. Hizm. A.Ş.	22	1	795	-
Ford Otomotiv Sanayi A.Ş.	21	22.709	-	-
Otokoç Otomotiv Tic. ve San. A.Ş.	15	1.765	2.341	-
Tanı Pazarlama ve İletişim Hizmetleri A.Ş.	11	-	1.321	-
Bilkom Bilişim Hizmetleri A.Ş.	6	-	-	-
East Marine	5	-	-	-
Tat Konserve Sanayi A.Ş.	5	3.429	-	-
Oriente Klassik Giyim San. Ve Tic. A.Ş.	4	-	-	-
Düzyayın Tüketim Malları Pazarlama A.Ş.	2	1	437	-
Beldeyama Motorlu Vasıtalar San. A.Ş.	1	1	-	-
Harranova Besi ve Tarım Ürünleri A.Ş.	1	1.811	-	-
Grundig Elektronik A.Ş.	1	-	-	-
Demir Export A.Ş.	-	10.667	-	-
Vehbi Koç Vakfı Koç Üniversitesi	-	1.860	102	-
Tofaş Türk Otomobil Fabrikası A.Ş.	-	6.657	24	-
Yapı Kredi Bankası A.Ş.	-	4.452	28	-
Türk Traktör ve Ziraat Makinaları A.Ş.	-	3.068	-	-
Otokar Otobüs Karoseri Sanayi A.Ş.	-	1.667	115	-
Vehbi Koç Vakfı Amerikan Hastanesi	-	702	1	-
RMK Marine Gemi Yapım San. ve Deniz Taş. İşl. A.Ş.	-	547	-	-
Marmaris Altinyunus Turistik Tesisleri A.Ş.	-	415	-	-
Altinyunus Çeşme Turistik Tesisler. A.Ş.	-	264	-	10
Tek-Art Kalamış ve Fenerbahçe Mar. Tur. Tes. A.Ş.	-	137	34	-
Setur Servis Turistik A.Ş.	-	132	1.615	-
Vehbi Koç Vakfı Özel Vehbi Koç İlköğretim Okulu	-	123	-	-
Yapı Kredi Finansal Kiralama	-	91	-	-
THY Opet Havacılık	-	14	-	-
R.M.K ve Mahdumları Mad. İnş.Tur.Yat. ve Tic. A.Ş.	-	-	224	-
Promena Elektronik Ticaret A.Ş.	-	-	108	-
Yapı Kredi Yatırım Menkul Değerler A.Ş.	-	-	18	-
Callus Bilgi ve İletişim Hizmetleri A.Ş.	-	-	70	-
Setair Hava Taşımacılığı ve Hizm. A.Ş.	-	-	2.077	-
Yapı Kredi Kültür Sanat ve Yayıncılık Tic San. A.Ş.	-	-	7	-
Shareholders				
Koç Holding A.Ş.	-	-	3.601	-
	419.648	224.486	36.744	347

(*) Group companies include Koç Group companies.

Aygaz Anonim Şirketi and Subsidiaries**Notes to the condensed consolidated financial statements
for the nine month interim period ended September 30, 2011 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)****22. Transactions with related parties (continued)**

January 1 - September 30, 2011				
Tangible asset and rent transactions with related parties	Rent income	Rent expense	Tangible and intangible asset purchases	Fixed asset sales
Group companies (*)				
Opet Petrolcülük A.Ş.	336	12	-	-
Yapı Kredi Bankası A.Ş.	-	143	-	-
Otokoç Otomotiv Tic. ve San. A.Ş.	-	94	574	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	510	-
Ark İnşaat A.Ş.	-	-	172	-
Koçnet Haberleşme Teknoloji ve İlet. Hizm. A.Ş.	-	-	64	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	-	-	65	2.146
Bilkom Bilişim Hizmetleri A.Ş.	-	-	6	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	-	-	2	-
Investments accounted under equity method				
Zinerji Enerji Sanayi ve Ticaret A.Ş.	2	-	-	-
Shareholders				
Temel Ticaret ve Yatırım A.Ş.	-	119	-	-
	338	368	1.393	2.146

January 1 - September 30, 2010				
Tangible asset and rent transactions with related parties	Rent income	Rent expense	Tangible and intangible asset purchases	Fixed asset sales
Group companies (*)				
Opet Petrolcülük A.Ş.	300	11	-	-
Küsel Petrolcülük A.Ş.	1	-	-	-
Otokoç Otomotiv Tic. ve San. A.Ş.	-	66	144	-
Yapı Kredi Bankası A.Ş.	-	82	-	-
Arçelik A.Ş.	-	-	24	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	2.537	-
Koçnet Haberleşme Teknoloji ve İlet. Hizm. A.Ş.	-	-	24	12
Koçtaş Yapı Marketleri Ticaret A.Ş.	-	-	71	-
Tat Konserve Sanayi A.Ş.	-	-	5	-
Türkiye Petrol Rafinerileri A.Ş.	-	-	45	-
Agro-San. Kimya San. ve Tic. A.Ş.	-	-	9	-
Bilkom Bilişim Hizmetleri A.Ş.	-	-	2	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	-	-	2	1.152
THY Opet Havacılık	-	-	-	161
Investments accounted under equity method				
Zinerji Enerji Sanayi ve Ticaret A.Ş.	1	-	-	-
Shareholders				
Temel Ticaret ve Yatırım A.Ş.	-	39	-	-
Koç Family members	-	65	-	-
	302	263	2.863	1.325

(*) Group companies include Koç Group companies.

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements
for the nine month interim period ended September 30, 2011 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)**

22. Transactions with related parties (continued)

January 1 - September 30, 2011				
Financial and other transactions with related parties	Financial income	Financial expense	Other income	Other expense
Group companies (*)				
Yapı Kredi Bankası A.Ş.	10.301	7.618	-	10
Koçnet Haberleşme Teknoloji ve İlet. Hizm. A.Ş.	8	-	-	-
	10.309	7.618	-	10

January 1 - September 30, 2010				
Financial and other transactions with related parties	Financial income	Financial expense	Other income	Other expense
Group companies (*)				
Yapı Kredi Bankası A.Ş.	6.118	6.121	-	-
Türkiye Petrol Rafinerileri A.Ş.	392	952	-	-
Koçnet Haberleşme Teknoloji ve İlet. Hizm. A.Ş.	10	-	-	-
Arçelik A.Ş.	9	-	-	-
Ford Otomotiv Sanayi A.Ş.	4	-	-	-
R.M.K ve Mahdumları Mad. İnş.Tur.Yat. ve Tic. A.Ş.	1	-	-	-
Türk Traktör ve Ziraat Makineleri A.Ş.	1	-	-	-
Marmaris Altinyunus Turistik Tesisleri A.Ş.	1	-	-	-
Shareholders				
Koç Holding A.Ş.	-	547	-	-
	6.536	7.620	-	-

Deposits at banks	September 30, 2011	December 31, 2010
Group companies (*)		
Yapı Kredi Bankası A.Ş.	210.649	262.013
	September 30, 2011	December 31, 2010
Credit card receivables		
Group companies (*)		
Yapı Kredi Bankası A.Ş.	9.494	5.333

January 1 - September 30, 2011					
Loans from related parties	Original currency	Maturity	Interest rate %	Current liabilities	Non current liabilities
Group companies (*)					
Yapı Kredi Bankası	TL	Spot	-	1.093	-
				1.093	

(*) Group companies include Koç Group companies.

Aygaz Anonim Şirketi and Subsidiaries

Notes to the condensed consolidated financial statements for the nine month interim period ended September 30, 2011 (continued) (Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

22. Transactions with related parties (continued)

Benefits paid to Board of Directors and executives:

The Group has determined senior manager squad as board of directors’ members, general manager and assistant general managers.

Benefits provided to senior management includes salaries, premiums, social security premiums, unemployment employer premium and honorarium paid to board of directors.

Total of the benefit provided to senior management of the Group as of September 30, 2011 is TL 3.511 thousand (September 30, 2010: TL 3.567 thousand).

23. Assets held for sale and discontinued operations

Assets held for sale

The Group, as declared to public disclosure platform of Turkey on December 1, 2010, in accordance with the board of directors meeting decision held on November 30, 2010, has decided to sell 49,62% shares of Entek with a nominal value of TL 49.079 thousand, when share transfer procedures are completed, to AES-Mont Blanc Holdings B.V. As of December 31, 2010 the assets and liabilities of the subsidiary held for sale have been classified as assets and liabilities held for sale in accordance with IFRS 5. As the sales process has been completed within 2011, Entek became a joint venture and accounted with proportional consolidation (Note 3).

Assets held for sale	2011	2010
Cash and cash equivalents	-	100.458
Trade receivables	-	39.039
Other current assets	-	3.238
Property, plant and equipment	-	220.346
Intangible fixed assets	-	349
Other long-term assets	-	8.848
	-	372.278

Liabilities held for sale	2011	2010
Short term financial liabilities	-	44.197
Long term financial liabilities	-	20.098
Trade payables	-	34.856
Other payables	-	1.916
Other short term liabilities	-	3.484
Retirement pay provision	-	609
Deferred tax liability	-	12.587
	-	117.747

Aygaz Anonim Şirketi and Subsidiaries**Notes to the condensed consolidated financial statements
for the nine month interim period ended September 30, 2011 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)****24. Nature and level of risk derived from financial instruments****a. Financial risk factors**

The risks of the Group, resulted from operations, include market risk (including currency risk, fair value interest rate risk, cash flow interest risk and price risk), credit risk and liquidity risk. The Group’s risk management program generally focuses on minimizing the effects of uncertainty in financial market on financial performance of the Group. The Group uses derivative financial instruments in order to safeguard itself from different financial risks.

Foreign currency risk management

Foreign currency transactions results in foreign currency risk. The Group controls foreign currency risk coming from its operations and cash flows of finance contracts by using “forward foreign exchange contracts”.

The foreign currency denominated assets and liabilities of monetary and non-monetary items as the balance sheet date are as follows:

September 30, 2011		Total TL equivalent	TL equivalent of USD	TL equivalent of Euro	Other
1.	Trade receivables	24.347	23.563	784	-
2.a	Monetary financial assets	62.447	55.519	6.868	60
2.b	Non monetary financial assets	-	-	-	-
3.	Other	-	-	-	-
4.	Current assets	86.794	79.082	7.652	60
5.	Trade receivables	-	-	-	-
6.a	Monetary financial assets	-	-	-	-
6.b	Non monetary financial assets	-	-	-	-
7.	Other	-	-	-	-
8.	Non current assets	-	-	-	-
9.	Total assets	86.794	79.082	7.652	60
10.	Trade payables	(139.202)	(138.918)	(284)	-
11.	Financial liabilities	-	-	-	-
12.a	Other monetary financial liabilities	-	-	-	-
12.b	Other non monetary financial liabilities	-	-	-	-
13.	Current liabilities	(139.202)	(138.918)	(284)	-
14.	Trade payables	-	-	-	-
15.	Financial liabilities	(11.961)	(11.961)	-	-
16.a	Other monetary financial liabilities	-	-	-	-
16.b	Other non monetary financial liabilities	-	-	-	-
17.	Non current liabilities	(11.961)	(11.961)	-	-
18.	Total liabilities	(151.163)	(150.879)	(284)	-
19.	Net asset / liability position of off balance sheet liabilities (19a-19b)	-	-	-	-
19.a	Total hedged assets	-	-	-	-
19.b	Total hedged liabilities	-	-	-	-
20.	Net foreign currency asset / liability position	(64.369)	(71.797)	7.368	60
21.	Net foreign currency asset / liability position of monetary items	(64.369)	(71.797)	7.368	60
	(1+2a+6a+10+11+12a+14+15+16a)	(64.369)	(71.797)	7.368	60
22.	Fair value of foreign currency hedged financial assets	-	-	-	-
23.	Export	310.627	285.356	25.271	-
24.	Import	1.272.138	1.268.626	3.510	2

The Group manages its foreign currency risk by regularly considering and reflecting the foreign exchange rate changes in the determination of product prices. As of September 30, 2011, the Group has LPG amounting to TL 121.545 thousand (December 31, 2010 TL 77.060 thousand).

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements
for the nine month interim period ended September 30, 2011 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)**

24. Nature and level of risk derived from financial instruments (continued)

December 31, 2010		Total TL equivalent	TL equivalent of USD	TL equivalent of Euro	Other
1.	Trade receivables	44.813	18.128	26.685	-
2.a	Monetary financial assets	114.123	58.135	55.852	136
2.b	Non monetary financial assets	-	-	-	-
3.	Other	-	-	-	-
4.	Current assets	158.936	76.263	82.537	136
5.	Trade receivables	-	-	-	-
6.a	Monetary financial assets	-	-	-	-
6.b	Non monetary financial assets	-	-	-	-
7.	Other	-	-	-	-
8.	Non current assets	-	-	-	-
9.	Total assets	158.936	76.263	82.537	136
10.	Trade payables	(147.191)	(147.051)	(140)	-
11.	Financial liabilities	-	-	-	-
12.a	Other monetary financial liabilities	-	-	-	-
12.b	Other non monetary financial liabilities	-	-	-	-
13.	Current liabilities	(147.191)	(147.051)	(140)	-
14.	Trade payables	-	-	-	-
15.	Financial liabilities	(109.407)	-	(109.407)	-
16.a	Other monetary financial liabilities	-	-	-	-
16.b	Other non monetary financial liabilities	-	-	-	-
17.	Non current liabilities	(109.407)	-	(109.407)	-
18.	Total liabilities	(256.598)	(147.051)	(109.547)	-
19.	Net asset / liability position of off balance sheet liabilities (19a-19b)	-	-	-	-
19.a	Total hedged assets	-	-	-	-
19.b	Total hedged liabilities	-	-	-	-
20.	Net foreign currency asset / liability position	(97.662)	(70.788)	(27.010)	136
21.	Net foreign currency asset / liability position of monetary items (1+2a+6a+10+11+12a+14+15+16a)	(97.662)	(70.788)	(27.010)	136
22.	Fair value of foreign currency hedged financial assets	-	-	-	-
23.	Export	357.806	348.548	9.255	3
24.	Import	1.230.276	1.225.536	3.829	911

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements
for the nine month interim period ended September 30, 2011 (continued)**
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

24. Nature and level of risk derived from financial instruments (continued)

As of September 30, 2011 and December 31, 2010, the sensitivity analysis of the Group’s pre-tax income related to 10% change in USD and Euro (when other variables are held constant) are as follows:

	September 30, 2011			
	Gain/Loss		Equity	
	Foreign exchange appreciation	Foreign exchange depreciation	Foreign exchange appreciation	Foreign exchange depreciation
+/-10% fluctuation of USD rate				
USD net asset/liability	(7.180)	7.180	(7.180)	7.180
Secured portion from USD risk	-	-	-	-
USD net effect	(7.180)	7.180	(7.180)	7.180
+/-10% fluctuation of Euro rate				
Euro net asset/liability	737	(737)	737	(737)
Secured portion from Euro risk	-	-	-	-
Euro net effect	737	(737)	737	(737)
	(6.443)	6.443	(6.443)	6.443

	December 31, 2010			
	Income/Expense		Equity	
	Foreign exchange appreciation	Foreign exchange depreciation	Foreign exchange appreciation	Foreign exchange depreciation
+/-10% fluctuation of USD rate				
USD net asset/liability	(7.079)	7.079	(7.079)	7.079
Secured portion from USD risk	-	-	-	-
USD net effect	(7.079)	7.079	(7.079)	7.079
+/-10% fluctuation of Euro rate				
Euro net asset/liability	(2.701)	2.701	(2.701)	2.701
Secured portion from Euro risk	-	-	-	-
Euro net effect	(2.701)	2.701	(2.701)	2.701
Total	(9.780)	9.780	(9.780)	9.780

(Convenience translation of financial statements originally issued in Turkish – see Note 2)

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements
for the nine month interim period ended September 30, 2011 (continued)**
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

24. Nature and level of risk derived from financial instruments (continued)

Currency forward agreements

Currency forward agreements which are valid as of September 30, 2011 and December 31, 2010 are summarized at the tables below:

						September 30 2011
<u>Maturity</u>	<u>Parity</u>	<u>Type of contract</u>	<u>Transaction</u>	<u>Total amount</u>	<u>Currency</u>	
1 to 3 months	1,6180 - 1,6270	Forward	Sells TL, Buys USD	6.000	USD	
1 to 3 months	1,7665	Forward	Sells TL, Buys USD	2.200	USD	

						31 Aralık 2010
<u>Maturity</u>	<u>Parity</u>	<u>Type of contract</u>	<u>Transaction</u>	<u>Total amount</u>	<u>Currency</u>	
1 to 3 months	1,3235	Forward	Sells EUR, Buys USD	8.350	USD	
1 to 3 months	2,0581	Forward	Sells EUR, Buys TL	4.291	TL	
3 to 6 months	2,0581	Forward	Sells EUR, Buys TL	8.814	TL	
6 to 9 months	2,0581	Forward	Sells EUR, Buys TL	2.488	TL	

25. Events after balance sheet date

In the Board of Directors meeting held on August 2, 2011, the Group has decided to sell its 166.034.110 shares, amounting to TL 8.302 thousand, representing 8,39% of shares of AES Entek Elektrik Üretimi A.Ş. with nominal value of 5 Kr. to Koç Holding A.Ş. in exchange of USD 25.299 thousand, to be paid in cash.

Additionally the Group's subsidiary Mogaz decided to sell its shares with a nominal value of TL 3.238 thousand, representing 3,27% of AES Entek Elektrik Üretimi A.Ş. to Koç Holding A.Ş. in exchange of USD 9.869 thousand to be paid in cash.

Procedures related with energy market regulation and other procedures have been completed, the sales transaction has been finalized, the amount has been collected on October 7, 2011 and declared on the public disclosure on the same date.