(Convenience translation of the independent auditors' report and consolidated financial statements originally issued in Turkish)

Aygaz Anonim Şirketi and its Subsidiaries

Consolidated financial statements as of December 31, 2013 together with independent auditors' report

(Convenience translation of the independent auditors' report and consolidated financial statements originally issued in Turkish)

Aygaz Anonim Şirketi and its Subsidiaries

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(Convenience translation of the independent auditors' report originally issued in Turkish)

Independent auditors' report

To the Board of Directors of
Aygaz Anonim Şirketi

We have audited the accompanying consolidated statement of financial position of Aygaz Anonim Şirketi (the Company) and its Subsidiaries (together will be referred to as the ''Group'') as at 31 December 2013 and the related consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and explanatory notes.

Group management's responsibility for the financial statements

The Group's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Turkish Accounting Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA") and for such internal controls as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to error and/or fraud.

Independent auditors' responsibility

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

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

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

Opinion

In our opinion, the accompanying consolidated financial statements present fairly the financial position of Aygaz Anonim Şirketi and its Subsidiaries as at 31 December 2013 and their financial performance and cash flows for the year then ended in accordance with the Turkish Accounting Standards (Note 2).

Reports on independent auditor's responsibilities arising from other regulatory requirements

In accordance with Article 402 of the Turkish Commercial Code ("TCC"); the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit, additionally, no significant matter has come to our attention that causes us to believe that the Group's bookkeeping activities for the period 1 January – 31 December 2013 is not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.

Pursuant to Article 378 of Turkish Commercial Code no. 6102, Board of Directors of publicly traded companies are required to form an expert committee, and to run and to develop the necessary system for the purposes of: early identification of causes that jeopardize the existence, development and continuity of the company; applying the necessary measures and remedies in this regard; and, managing the related risks. According to subparagraph 4, Article 398 of the code, the auditor is required to prepare a separate report explaining whether the Board of Directors has established the system and authorized committee stipulated under Article 378 to identify risks that threaten or may threaten the company and to provide risk management, and, if such a system exists, the report, the principles of which shall be announced by the POA, shall describe the structure of the system and the practices of the committee. This report shall be submitted to the Board of Directors along with the auditor's report. Our audit does not include evaluating the operational effectiveness and adequacy of the operations carried out by the management of the Group in order to manage these risks. As of the balance sheet date, POA has not announced the principles of this report yet so no separate report has been drawn up relating to it. On the other hand, the Group formed the mentioned committee on July 15, 2013 and it is comprised of 2 members.

The committee has met 6 times since its formation to the reporting date for the purposes of early identification of risks that jeopardize the existence of the company and its development, applying the necessary measures and remedies in this regard, and managing the risks, and has submitted the relevant reports to the Board of Directors.

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

Erdem Tecer, SMMM
Partner in charge

February 20, 2014
İstanbul, Turkey

Aygaz Anonim Şirketi and its Subsidiaries

Consolidated statement of financial position as at December 31, 2013

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

Assets	Notes	Current period (Audited) December 31, 2013	Restated Prior period (Audited) December 31, 2012
Current assets		**867.167**	692.473
Cash and cash equivalents	4	**173.054**	125.365
Trade receivables		**367.454**	303.609
-Trade receivables from related parties	*31*	***18.360***	*15.241*
-Trade receivables from third parties	*8*	***349.094***	*288.368*
Other receivables		**4.505**	3.929
-Other receivables from third parties	9	**4.505**	3.929
Inventories	11	**275.630**	213.310
Prepaid expenses	19	**39.762**	38.021
Assets related to current year tax		**40**	507
Other current assets	18	**6.722**	7.732
Non-current assets		**2.321.139**	2.263.782
Financial investments	5	**267.885**	317.258
Trade receivables		**6.756**	5.087
-Trade receivables from third parties	*8*	**6.756**	*5.087*
Other receivables		**77**	32.811
-Other receivables from related parties	*9*	***-***	*32.750*
-Other receivables from third parties	*9*	***77***	*61*
Investments accounted under equity method	12	**1.377.154**	1.230.191
Property, plant and equipment	13	**589.330**	594.927
Intangible assets		**30.562**	35.145
-Other intangible assets	*14*	***30.562***	*35.145*
Prepaid expenses	19	**49.136**	48.291
Deferred tax asset	29	**239**	72
Total assets		**3.188.306**	2.956.255

The accompanying accounting policies and notes between the pages 8 and 81 form an integral part of these consolidated financial statements.

Aygaz Anonim Şirketi and its Subsidiaries

Consolidated statement of financial position as at December 31, 2013

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

Liabilities	Notes	Current period (Audited) December 31, 2013	Restated Prior period (Audited) December 31, 2012
Short term liabilities		**667.192**	443.158
Short-term financial borrowings	6	**85.405**	5.810
Current portion of long term financial borrowings	6	**9.905**	-
Trade payables		**376.346**	268.580
- Trade payables to related parties	*31*	***164.175***	*118.120*
- Trade payables to third parites	*8*	***212.171***	*150.460*
Liabilities for employee benefits	10	**36.354**	25.384
Other payables		**578**	391
- Other payables to related parties	*31*	***434***	*310*
- Other payables to third parties	*9*	***144***	*81*
Derivative financial instruments	7	**-**	135
Deferred income	20	**2.968**	2.481
Provision for taxation on income	29	**2.649**	3.459
Short-term provisions		**85.373**	39.733
-Other provisions	*17*	**85.373**	*39.733*
Other current liabilities	18	**67.614**	97.185
Long term liabilities		**277.538**	132.562
Long-term borrowings	6	**142.497**	-
Other payables		**73.614**	70.695
- Other payables to third parties	*9*	***73.614***	*70.695*
Long-term provisions		**24.485**	22.222
-Provisions for employee benefits	*16*	***24.485***	*22.222*
Deferred tax liabilities	29	**36.942**	39.645
Equity		**2.243.576**	2.380.535
Share capital	21	**300.000**	300.000
Adjustment to share capital	21	**71.504**	71.504
Adjustment to share capital due to cross-ownership (-)		**(7.442)**	(7.442)
Other comprehensive income or expenses not to be reclassified to profit or loss		**(106)**	(1.862)
-Actuarial gain/loss arising from defined benefit plans		***(106)***	*(1.862)*
Other comprehensive income or expenses to be reclassified to profit or loss		**167.532**	211.582
-Foreign currency translation differences		**1.875**	*1.024*
-Hedging gains/losses		**(1.208)**	*(3.095)*
-Gains/losses from the revaluation and reclassification of marketable securities	*21*	***166.865***	*213.653*
Restricted reserves	21	**277.875**	307.846
Retained earnings		**1.228.355**	1.193.454
Net profit for the period		**205.253**	304.930
Equity attributable to equity holders of the parent		**2.242.971**	2.380.012
Non-controlling interests	21	**605**	523
Total equity and liabilities		**3.188.306**	2.956.255

The accompanying accounting policies and notes between the pages 8 and 81 form an integral part of these consolidated financial statements.

Aygaz Anonim Şirketi and its Subsidiaries

Consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2013

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

	Notes	(Audited) January 1- December 31, 2013	*(Restated)* (Audited) January 1- December 31, 2012
Revenue	22	**6.004.984**	5.586.059
Cost of sales (-)	22	**(5.433.640)**	(5.064.990)
Gross profit		**571.344**	521.069
Marketing, sales and distribution expenses (-)	23	**(229.744)**	(213.651)
General administrative expenses (-)	23	**(167.087)**	(137.644)
Research and development expenses (-)	23	**(2.984)**	(2.521)
Other operating income	25	**58.253**	63.771
Other operating expenses (-)	25	**(59.598)**	(25.149)
Operating profit		**170.184**	205.875
Income from investment activities	26	**1.258**	4.293
Loss from investment activities (-)	26	**(234)**	(534)
Profit /losses from investments accounted under equity method	12	**63.242**	134.575
Operating profit before financial income / (expense)		**234.450**	344.209
Financial income	27	**19.365**	20.414
Financial expense (-)	28	**(16.856)**	(19.747)
Profit before taxation		**236.959**	344.876
Tax income / (expense)			
- Current tax expense for the period (-)	29	**(32.361)**	(38.247)
- Deferred tax income / (expense)	29	**737**	(1.664)
Profit for the period		**205.335**	304.965
Other comprehensive income / (expense)			
Not to be reclassified as profit or loss			
Actuarial gain/loss arising from defined benefit plans, netted off deferred tax		**1.756**	(1.443)
To be reclassified as profit or loss			
Foreign currency translation differences		**851**	(288)
Gains/losses from the revaluation and reclassification of marketable securities		**(46.788)**	69.246
Hedging gains/losses		**1.887**	3.388
Other comprehensive income / (expense) (after taxation)		**(42.294)**	70.903
Total comprehensive income		**163.041**	375.868
Distribution of profit for the period			
Non-controlling interest		**82**	35
Equity holders of the parent		**205.253**	304.930
Distribution of total comprehensive income			
Non-controlling interest		**82**	35
Equity holders of the parent		**162.959**	375.833
Earnings per share (TL)	30	**0,684177**	1,016433

The accompanying accounting policies and notes between the pages 8 and 81 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 its Subsidiaries

Consolidated statement of changes in equity
for the year ended December 31, 2013
(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

Transfers from retained earnings				Other comprehensive income or expenses not to be reclassified to profit or loss	Other comprehensive income or expenses to be reclassified to profit or loss								
	Share capital	Adjustment to share capital	Adjustment to share capital due to cross-ownership (-)	Actuarial gain/loss arising from defined benefit plans	Foreign currency translation adjustment	Hedging gains/ losses	Gains/losses from the revaluation and reclassification of marketable securities	Restricted reserves	Retained earnings	Net profit for the period	Equity attributable to equity holders of the parent	Non-controlling interest	Total equity
Audited													
1 January 2012 - previously reported	300.000	71.504	(7.442)	-	1.312	(6.483)	144.407	384.230	886.954	379.697	2.154.179	452	2.154.631
Change in accounting policy:													
- TAS 19 (Note 2.2)	-	-	-	(419)	-	-	-	-	375	44	-	-	-
Balance as of January 1, 2012 – restated	300.000	71.504	(7.442)	(419)	1.312	(6.483)	144.407	384.230	887.329	379.741	2.154.179	452	2.154.631
Transfers from retained earnings	-	-	-	-	-	-	-	-	379.741	(379.741)	-	-	-
Transfers to reserves	-	-	-	-	-	-	-	(76.384)	76.384	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(150.000)	-	(150.000)		(150.000)
Transactions with non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	36	36
Comprehensive income / (loss) for the period	-	-	-	(1.443)	(288)	3.388	69.246	-	-	304.930	375.833	35	375.868
Balance as of December 31, 2012	300.000	71.504	(7.442)	(1.862)	1.024	(3.095)	213.653	307.846	1.193.454	304.930	2.380.012	523	2.380.535
Audited													
Balance as of January 1, 2013 – previously reported	**300.000**	**71.504**	**(7.442)**	**-**	**1.024**	**(3.095)**	**213.653**	**307.846**	**1.193.035**	**303.487**	**2.380.012**	**523**	**2.380.535**
Change in accounting policy:													
- TAS 19 (Note 2.2)	**-**	**-**		**(1.862)**	**-**	**-**	**-**	**-**	**419**	**1.443**	**-**	**-**	**-**
Balance as of January 1, 2013 – restated	**300.000**	**71.504**	**(7.442)**	**(1.862)**	**1.024**	**(3.095)**	**213.653**	**307.846**	**1.193.454**	**304.930**	**2.380.012**	**523**	**2.380.535**
Transfers from retained earnings	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**304.930**	**(304.930)**	**-**	**-**	**-**
Transfers to reserves	-	**-**	**-**	**-**	**-**	**-**	**-**	**28.500**	**(28.500)**	**-**	**-**	**-**	**-**
Dividends paid (note 21)	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(300.000)**	**-**	**(300.000)**	**-**	**(300.000)**
Transfers from restricted reserves	-	**-**	**-**	**-**	**-**	**-**	**-**	**(58.471)**	**58.471**	**-**	**-**	**-**	**-**
Comprehensive income / (loss) for the period	-	**-**	**-**	**1.756**	**851**	**1.887**	**(46.788)**	**-**	**-**	**205.253**	**162.959**	**82**	**163.041**
Balance as of December 31, 2013	**300.000**	**71.504**	**(7.442)**	**(106)**	**1.875**	**(1.208)**	**166.865**	**277.875**	**1.228.355**	**205.253**	**2.242.971**	**605**	**2.243.576**

The accompanying accounting policies and notes between the pages 8 and 81 form an integral part of these consolidated financial statements.

Aygaz Anonim Şirketi and its Subsidiaries

Consolidated statement of cash flows
for the year ended December 31, 2013
(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

	Notes	Audited January 1- December 31, 2013	Restated Audited January 1- December 31, 2012
A. Cash flows from operating activities		**235.081**	160.888
Profit/loss before tax for the period		**236.959**	344.876
Adjustments related with the reconciliation of net profit/loss for the period		**71.618**	(77.522)
-Adjustments for depreciation and amortization expenses	13, 14	**82.140**	78.927
-Adjustments for provisions		**52.885**	722
-Adjustments for interest income and expenses	27, 28	**1.942**	(15.433)
-Adjustments for income from equity participations	12	**(63.242)**	(134.575)
-Adjustments for profit/ loss on sale of tangible/intangible assets		**(1.024)**	(5.460)
-Other adjustments for reconciliation of profit/ loss		**(1.083)**	(1.703)
Changes in working capital		**(37.681)**	(61.338)
-Adjustments for increase/decrease in inventories		**(62.749)**	(32.912)
-Adjustments for increase/decrease in trade receivables		**(67.650)**	(9.356)
-Adjustments for other current assets and liabilities		**26.271**	(9.794)
-Adjustments for increase/ decrease in trade payables		**107.766**	18.073
-Adjustments for other non-current assets and long-term liabilities		**(41.319)**	(27.349)
Cash flows from operating activities		**270.896**	206.016
Tax payments/returns		**(32.703)**	(40.870)
Other cash inflow/outflows	16	**(3.112)**	(4.258)
B. Cash flows from investing activities		**(118.298)**	(160.328)
Cash inflows from the sale of property, plant and equipment and intangible assets		**5.977**	9.533
Cash outflows from the purchase of property, plant and equipment and intangible assets	13, 14	**(76.484)**	(97.102)
Share capital participation to subsidiaries		**(47.791)**	(72.759)
C. Cash flows from financing activities		**(69.945)**	(130.521)
Net change in borrowings		**222.875**	4.046
Dividends paid	21	**(300.000)**	(150.000)
Interest received	27	**7.180**	15.433
Net increase/decrease in cash and cash equivalents before the effect of foreign currency translation differences		**46.838**	(129.961)
D. Impact of foreign currency translation differences on cash and cash equivalents		**851**	1.024
Net increase/decrease in cash and cash equivalents		**47.689**	(128.937)
E. Cash and cash equivalents at the beginning of the period	4	**125.365**	254.302
Cash and cash equivalents at the end of the period	4	**173.054**	125.365

The accompanying accounting policies and notes between the pages 8 and 81 form an integral part of these consolidated financial statements.

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") since 1961 and as of December 31, 2013 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

As of December 31, 2013, number of personnel employed by categories in Aygaz and its subsidiaries (together with referred to as the "Group") is 724 white-collar (2012: 746) and 703 blue-collar (2012:667) totaling to 1.427 (December 31, 2012: 1.413).

Subsidiaries

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. Akpa is mainly engaged in sales of cylinders through its own organization and dealers, retail and wholesale of LPG, fuel and lubricants through autogas stations and sale of durable goods. In October 2012, the Company has purchased shares with a nominal amount of TL 4 from real persons and raised Group's effective control to 100%.

Main activity of Aygaz Doğal Gaz Toptan Satış A.Ş. and Aygaz Doğal Gaz İletim A.Ş. (together "Aygaz Doğal Gaz") is to purchase natural gas from domestic and/or overseas suppliers, selling natural gas to domestic and/or overseas customers and make related arrangements for the modulation, storing of natural gas and building necessary facilities. Aygaz Doğal Gaz Toptan Satış A.Ş. has decided to increase its share capital from TL 28.000 thousand to TL 33.000 thousand in its Ordinary General Meeting dated February 6, 2012. The Company has agreed to pay the increased amount in cash and the payment was realized on March 2, 2012. The Group's share in Aygaz Doğal Gaz Toptan Satış A.Ş. has increased to 99,15%. Aygaz Doğal Gaz İletim A.Ş. has decided to increase its share capital from TL 3.700 thousand to TL 9.000 thousand in its Ordinary General Meeting dated February 6, 2012. The Company has agreed to pay the increased amount in cash and the payment was realized on March 2, 2012. The Group's share in Aygaz Doğal Gaz İletim A.Ş. has increased to 99,59%.

Within July 2010, the Company has restructured its shipping operations under new legal entities, and established Anadoluhisarı Tankercilik A.Ş. ("Anadoluhisarı"), 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.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

1. Organization and operations of the company (continued)

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

		Ownership interest (%)			
Subsidiaries	Place of incorporation and operation	**December 31, 2013**	December 31, 2012	**Voting power right**	Principal activity
Mogaz (*)	Turkey	**-**	100%	**-**	LPG
Anadoluhisarı	Turkey	**100%**	100%	**100%**	Shipping
Kandilli	Turkey	**100%**	100%	**100%**	Shipping
Kuleli	Turkey	**100%**	100%	**100%**	Shipping
Kuzguncuk	Turkey	**100%**	100%	**100%**	Shipping
Akpa	Turkey	**100%**	100%	**100%**	Marketing
Aygaz Doğal Gaz Toptan Satış A.Ş.	Turkey	**99,15%**	99,15%	**99,15%**	Natural gas
Aygaz Doğal Gaz İletim A.Ş.	Turkey	**99,59%**	99,59%	**99,59%**	Natural gas

(*) Registration procedures regarding the merger of Aygaz, with Mogaz Petrol Gazları A.Ş., 100% owned subsidiary through a whole take-over of all assets and liabilities based on the balance sheet dated June 30, 2012, were completed on January 22, 2013.

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.

AES Entek Elektrik Üretim A.Ş. (AES Entek), the electricity producer company of Koç Group, has been operating with its two natural gas cycling plants and one cogeneration facility with a total of 302 MW power in Kocaeli, Bursa and Istanbul, and two hydroelectric power plants in Karaman and one hydroelectric power plant in Samsun with a total of 62 MW power.

AES Entek increased its share capital from TL 402.000 thousand to TL 538.500 thousand with the decision taken through Ordinary General Meeting held on April 30, 2013. The Company has netted of TL 32.750 thousand of related increase, which corresponds to the preferential right of the Company, from the shareholder loan provided to AES Entek, and the remaining balance amounting to TL 1.113 thousand has been paid in cash in May 2013.

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

		Ownership interest (%)			
Investments in associates	Place of incorporation and operation	**December 31, 2013**	December 31, 2012	**Voting power right**	Principal activity
EYAŞ	Turkey	**20,00%**	20,00%	**20,00%**	Energy
AES Entek Elektrik Üretimi A.Ş ("AES Entek")	Turkey	**24,81%**	24,81%	**24,81%**	Electricity
Zinerji (*)	Turkey	**56,00%**	56,00%	**56,00%**	Energy

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

1. Organization and operations of the company (continued)

Joint ventures

Opet Aygaz Gayrimenkul A.Ş was established on September 20, 2013 as a joint venture with 50% equal shares by the Company and Opet Petrolcülük A.Ş, which is the Company's business partner, operating in distribution of fuel products. It's main activity is to establish, purchase, operate and rent fuel and LPG stations.

The details of the Group's business partnerships are as follows:

		Ownership interest (%)			
Joint venture	Place of incorporation and operation	**December 31, 2013**	December 31, 2012	**Voting power right**	Principal activity
Opet Aygaz Gayrimenkul A.Ş	Turkey	**50,00%**	-	**50,00%**	Real Estate

Approval of financial statements

The consolidated financial statements as of and for the year ended December 31, 2013 are approved in the Board of Directors meeting held on February 20, 2014 to be published and are signed by Assistant General Manager (Finance) Gökhan Tezel and Subsidiaries and Accounting Director Nurettin Demirtaş. The General Assembly has the power to amend the consolidated financial statements after issue.

2. Basis of presentation of financial statements

2.1 Financial reporting standards

The consolidated financial statements of the Group have been prepared in accordance with the Turkish Accounting Standards/Turkish Financial Reporting Standards, ("TAS/TFRS") and interpretations as adopted in line with international standards by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA") in line with the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board of Turkey ("CMB") on June 13, 2013 which is published on Official Gazette numbered 28676. TAS/TFRS are updated in harmony with the changes and updates in International Financial and Accounting Standards ("IFRS") by the communiqués announced by the POA.

With the decision taken on March 17, 2005, the CMB announced that, effective from January 1, 2005, the application of inflation accounting is no longer required for companies operating in Turkey. The Group has prepared its consolidated financial statements in accordance with this decision.

The consolidated financial statements are prepared in thousands of Turkish Lira ("TL") based on the historical cost conversion, except for the financial assets and liabilities which are expressed with their fair values.

2.2 Change in accounting policies, accounting estimates and errors

Changes in accounting policies or accounting errors noted are applied retroactively and the financial statements of the previous year are adjusted. If estimated changes in accounting policies are for only one period, changes are applied on the current year but if the estimated changes are for the following periods, changes are applied both on the current and following years prospectively.

2. Basis of presentation of financial statements (continued)

According to TAS 19, employee benefits, effective from January 1, 2013, employee termination benefits related to provision of actuarial gain/loss required to represent in other comprehensive income. Besides standard requires to make a distinction between short-term and other long-term employee benefits based on expected timing of settlement rather than employee entitlement.

The Group has adopted the amendments in IAS 19, which basically requires all actuarial gains and losses to be recognized immediately through other comprehensive income in order to reflect any change in the liability recognized in the consolidated statement of financial position, and has retrospectively applied related changes in its financial statements dated June 30, 2013. In this respect, the Group evaluated the monetary impact of this accounting policy change on the consolidated financial statements for the years ended December 31, 2011 and December 31, 2012 and has restated prior year financial statements accordingly. However based on the amendment in the presentation of short term employee benefits, vacation pay liability formerly presented in the short term provisions has been retrospectively reclassified to long term provisions.

Regarding with the improvements in IFRS on classification of spare parts and maintenance equipments, applicable for the periods beginning as of January 1, 2013 and thereafter, spare parts and maintenance equipment amounting to TL 3.493, which were accounted under inventories, have been transferred to property, plant and equipment (Note 13).

2.3 Comparative information and reclassifications on prior period financial statements

In order to enable determination of financial position and performance trends, the Group's 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.

Pursuant to the decree taken in the CMB's meeting dated June 7, 2013 and numbered 20/670, for capital market board institutions within the scope of the Communiqué on Principles Regarding Financial Reporting in the Capital Market, financial statement templates and a user guide have been published, effective as of the interim periods ended after March 31, 2013. Various classifications were made in the Group's financial statements pursuant to these formats which have taken effect. The classifications made in the balance sheet of the Company as of December 31, 2012 and in the consolidated profit or loss and other comprehensive income statement for the period ended December 31, 2012 are as follows:

- Prepaid expenses amounting to TL 38.021 thousand shown in other current assets were classified as a separate account in the balance sheet.
- Prepaid expenses amounting to TL 48.291 thousand shown in other non-current assets were classified as a separate account in the balance sheet.
- Prepaid corporate tax and taxes and funds deductible amounting to TL 507 thousand shown in other current assets were classified under "Assets related to current year tax" in current assets.
- Other financial liabilities account was renamed as "Derivative financial instruments".
- Payable to personnel and employee taxes payable amounting to TL 13.725 thousand and TL 11.659 thousand, respectively shown under short-term other payables and other short-term liabilities were classified under "Liabilities for employee benefits".
- Advances taken, deferred income and deferred interest income from credit sales amounting to TL 2.481 thousand shown in other short-term liabilities were classified under "Deferred income".
- Provisions for vacation pay liability amounting to TL 2.321 thousand shown in other short-term liabilities were classified to "Provisions for employee benefits" under long-term liabilities.

2. Basis of presentation of financial statements (continued)

- Provision for other liabilities account was renamed as "Other provisions" and grouped under the short-term provisions shown under short-term liabilities.
- Expense accruals amounting to TL 37.356 thousand shown in other short-term liabilities were classified to "Other provisions" grouped under the short-term provisions.
- Valuation fund on financial asset was renamed as "Revaluation and reclassification gains/losses of marketable securities".
- Revaluation and reclassification gains/losses of marketable securities, hedging gains/losses and foreign currency translation differences were grouped under the account of "Other comprehensive income to be reclassified to profit or loss".
- Sales revenue (net) was renamed as "Revenue".
- Foreign exchange gains related with the trade payables and receivables, and interest income from credit sales, amounting to TL 30.797 thousand, shown under the finance income account were classified to "Other operating income".
- Foreign exchange losses related with the trade payables and receivables, and interest expenses from credit purchases, amounting to TL 10.737 thousand, shown under finance expense account were classified to "Other operating expenses".
- Foreign exchange reclassification amounting to TL 8.831 thousand has been made between other operating income and other operating expenses accounts.
- Income from the property, plant and equipment and intangible assets amounting to TL 4.293 thousand shown under other operating income was classified to "Income from investment activities".
- Losses from the property, plant and equipment and intangible assets amounting to TL 534 thousand shown under other operating expenses were classified to "Loss from investment activities".

2.4 Consolidation principles

(a) Consolidated financial statements incorporate the financial statements of the Company, its subsidiaries and affiliates and business partnerships, which have been prepared in accordance with guidelines defined in the items (b) to (h). The financial statements of the companies included in the consolidation have been prepared as of the date of the consolidated financial statements and are based on the statutory records with adjustments and reclassifications for the purpose of presentation in conformity TAS/TFRS promulgated by the POA as set out in the communiqué numbered II-14.1, and Group accounting and disclosure policies.

(b) Subsidiaries are the Companies controlled by Aygaz when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

(c) Subsidiaries are fully consolidated from the date of acquisition, being the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. In case it is necessary, accounting policies are changed for subsidiaries in order to align with Group accounting policies.

Balance sheets and income statements of subsidiaries have been fully included into consolidation and the book values and equities of such subsidiaries which are owned by the Company, have been netted off. All inter-group transactions, balances, income and expenses are eliminated on consolidation. Book values of the shares owned by the Company and related dividends have been netted off from related equity and income statement accounts.

2. Basis of presentation of financial statements (continued)

(d) Investments in associated have been accounted using the equity method. These are institutions in which the Company has a voting power between 20% to 50% or in which the Company has a significant influence even though it does not have a controlling power.

Unrealized gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. The Group ceases to account the associate using the equity method if it loses the significant influence or the net investment in the associate becomes nil, unless it has entered to a liability or a commitment. Subsequent to the date of the caesura of the significant influence, the investment is carried either at fair value when the fair value can be measured reliably, otherwise at cost.

(e) Financial assets, in which the Group does not have a total voting power of 20% or even though it has a voting power above 20% but does not have a significant influence, or which are immaterial for the consolidated financial statements, or such assets which are not traded in an organized market or whose fair values cannot be measured reliably, are presented with cost values, after deducting the impairment, if any.

Available for sale financial assets, in which the Group does not have a total voting power of 20% or does not have a significant influence and which have market values in actively quoted markets and whose fair values can be reliably measured, are presented at fair values in the financial statements.

(f) The non-controlling share in the net assets and results of Subsidiaries for the year are separately classified as non-controlling interest in the consolidated statements of financial position and consolidated statements of profit or loss.

(g) A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its associate and joint venture are accounted for using the equity method.

(h) Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as a part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

2. Basis of presentation of financial statements (continued)

2.5 Adoption of new and revised International Financial Reporting Standards

New and amended standards and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 2013 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2013. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

The new standards, amendments and interpretations which are effective as at January 1, 2013 are as follows:

TFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendment)

The amendment requires the disclosure of the rights of the entity relating to the offsetting of the financial instruments and some information about the related regulations (eg, collateral agreements). New disclosures would provide users of financial statements with information that is useful in;

i) evaluating the effect or potential effect of netting arrangements on an entity's financial position and,
ii) analyzing and comparing financial statements prepared in accordance with TFRSs and other generally accepted accounting standards.

New disclosures have to be provided for all the financial instruments in the balance sheet that have been offset according to TAS 32. Such disclosures are applicable to financial instruments in the balance sheet that have not been offset according to TAS 32 but are available for offsetting according to main applicable offsetting regulations or other financial instruments that are subject to a similar agreement. The amendment affects disclosures only and did not have any impact on the consolidated financial statements of the Group.

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

The amendments to TAS 1 change only the grouping of items presented in other comprehensive income. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time would be presented separately from items which will never be reclassified. The amendments will be applied retrospectively. The amendment affects presentation only and did not have an impact on the financial position or performance of the Group.

TAS 19 Employee Benefits (Amended)

Numerous changes or clarifications are made under the amended standard. Among these numerous amendments, the most important changes are removing the corridor mechanism, for determined benefit plans recognizing actuarial gain/(loss) under other comprehensive income and making the distinction between short-term and other long-term employee benefits based on expected timing of settlement rather than employee entitlement.

2. Basis of presentation of financial statements (continued)

The Company / the Group used to recognize the actuarial gain and loss in profit and loss statement before this amendment. The retrospective effects of the amendment to recognise actuarial gain and loss in the comprehensive income statement are disclosed in Note 2.2.

However, based on the amendment in the presentation of short term employee benefits, vacation pay liability formerly presented in the short term provisions has been retrospectively reclassified to long term provisions.

TAS 27 Separate Financial Statements (Amended)

As a consequential amendment to TFRS 10 and TFRS 12, the TASB also amended TAS 27, which is now limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. This amendment did not have an impact on the financial position or performance of the Group.

TAS 28 Investments in Associates and Joint Ventures (Amended)

As a consequential amendment to TFRS 11 and TFRS 12, the TASB also amended TAS 28, which has been renamed TAS 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 TFRS 11. The Group has consolidated Opet Aygaz Gayrimenkul A.Ş., which was established in 2013, in accordance with this amendment by the equity method.

TFRS 10 Consolidated Financial Statements

TFRS10, TAS 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 did not have an impact on the financial position or performance of the Group.

TFRS 11 Joint Arrangements

The standard describes the accounting for joint ventures and joint operations with joint control. Among other changes introduced, under the new standard, proportionate consolidation is not permitted for joint ventures. This standard did not have an impact on the financial position or performance of the Group.

TFRS 12 Disclosure of Interests in Other Entities

TFRS 12 includes all of the requirements that are related to disclosures of an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The standard affects presentation only and did not have an impact on the disclosures given by the Group.

TFRS 13 Fair Value Measurement

The new Standard provides guidance on how to measure fair value under TFRS but does not change when an entity is required to use fair value. It is a single source of guidance under TFRS for all fair value measurements. The new standard also brings new disclosure requirements for fair value measurements. The new disclosures are only required for periods beginning after TFRS 13 is adopted. The Group has presented these disclosures in Note 32.

2. Basis of presentation of financial statements (continued)

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

Entities are required to apply its requirements for production phase stripping costs incurred from the start of the earliest comparative period presented. The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. The interpretation is not applicable for the Group.

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

The amendments change the transition guidance to provide further relief from full retrospective application. The date of initial application is defined as 'the beginning of the annual reporting period in which TFRS 10 is applied for the first time'. The assessment of whether control exists is made at 'the date of initial application' rather than at the beginning of the comparative period. If the control assessment is different between TFRS 10 and TAS 27/SIC-12, retrospective adjustments should be determined. However, if the control assessment is the same, no retrospective application is required. If more than one comparative period is presented, additional relief is given to require only one period to be restated. For the same reasons TFRS 11 and TFRS 12 has also been amended to provide transition relief. These amendments did not have an impact on the consolidated financial statements of the Group.

Improvements to TFRSs

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

TAS 1 Financial Statement Presentation:

Clarifies the difference between voluntary additional comparative information and the minimum required comparative information.

TAS 16 Property, Plant and Equipment:

Clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory

TAS 32 Financial Instruments: Presentation:

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

TAS 34 Financial Reporting:

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

2. Basis of presentation of financial statements (continued)

Standards issued but not yet effective and not early adopted

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

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

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

TFRS 9 Financial Instruments – Classification and measurement

As amended in December 2011, the new standard is effective for annual periods beginning on or after 1 January 2015. Phase 1 of this new TFRS introduces new requirements for classifying and measuring financial instruments. The amendments made to TFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option (FVO) liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. Early adoption is permitted. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

TFRIC Interpretation 21 Levies

The interpretation clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognized before the specified minimum threshold is reached. The interpretation is effective for annual periods beginning on or after 1 January 2014, with early application permitted. Retrospective application of this interpretation is required. The Group does not expect that this amendment will have any impact on the financial position or performance of the Group.

Amendments to TAS 36 - (Recoverable Amount Disclosures for Non-Financial assets)

As a consequential amendment to TFRS 13 Fair Value Measurement, some of the disclosure requirements are modified in TAS 36 Impairment of Assets regarding measurement of the recoverable amount of impaired assets. The amendments required additional disclosures about the measurement of impaired assets (or a group of assets) with a recoverable amount based on fair value less costs of disposal. The amendments are to be applied retrospectively for annual periods beginning on or after 1 January 2014. Earlier application is permitted for periods when the entity has already applied TFRS 13. The Group does not expect that this amendment will have any impact on the financial position or performance of the Group.

2. Basis of presentation of financial statements (continued)

Amendments to TAS 39 - Novation of Derivatives and Continuation of Hedge Accounting

TAS 39 Financial Instruments: Recognition and Measurement that provides a narrow exception to the requirement for the discontinuation of hedge accounting in circumstances when a hedging instrument is required to be novated to a central counterparty as a result of laws or regulations. The amendments are to be applied retrospectively for annual periods beginning on or after 1 January 2014. The Group does not expect that this amendment will have any impact on the financial position or performance of the Group.

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

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

IFRS 10 Consolidated Financial Statements (Amendment)

IFRS 10 is amended to provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss in accordance with IFRS. This amendment will not have any impact on the financial position or performance of the Group.

IFRS 9 Financial Instruments – Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39 -IFRS 9 (2013)

In November 2013, the IASB issued a new version of IFRS 9, which includes the new hedge accounting requirements and some related amendments to IAS 39 and IFRS 7. Entities may make an accounting policy choice to continue to apply the hedge accounting requirements of IAS 39 for all of their hedging relationships. The standard does not have a mandatory effective date, but it is available for application now; a new mandatory effective date will be set when the IASB completes the impairment phase of its project on the accounting for financial instruments. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

Improvements to IFRSs

In December 2013, the IASB issued two cycles of Annual Improvements to IFRSs – 2010–2012 Cycle and IFRSs – 2011–2013 Cycle. Other than the amendments that only affect the standards' Basis for Conclusions, the changes are effective 1 July 2014. Earlier application is permitted.

Annual Improvements to IFRSs – 2010–2012 Cycle

IFRS 2 Share-based Payment:

Definitions relating to vesting conditions have changed and performance condition and service condition are defined in order to clarify various issues. The amendment is effective prospectively.

2. Basis of presentation of financial statements (continued)

IFRS 3 Business Combinations

Contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of IFRS 9 Financial Instruments. The amendment is effective for business combinations prospectively.

IFRS 8 Operating Segments

The changes are as follows: i) Operating segments may be combined/aggregated if they are consistent with the core principle of the standard. ii) The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments are effective retrospectively.

IFRS 13 Fair Value Measurement

As clarified in the Basis for Conclusions short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial. The amendment is effective immediately.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment to IAS 16.35(a) and IAS 38.80(a) clarifies that revaluation can be performed, as follows:

i) Adjust the gross carrying amount of the asset to market value or ii) determine the market value of the carrying amount and adjust the gross carrying amount proportionately so that the resulting carrying amount equals the market value. The amendment is effective retrospectively.

IAS 24 Related Party Disclosures

The amendment clarifies that a management entity – an entity that provides key management personnel services – is a related party subject to the related party disclosures. The amendment is effective retrospectively.

Annual Improvements to IFRSs – 2011–2013 Cycle

IFRS 3 Business Combinations

The amendment clarifies that: i) Joint arrangements are outside the scope of IFRS 3, not just joint ventures ii) The scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is effective prospectively.

2. Basis of presentation of financial statements (continued)

IFRS 13 Fair Value Measurement

The portfolio exception in IFRS 13 can be applied to financial assets, financial liabilities and other contracts. The amendment is effective prospectively.

IAS 40 Investment Property

The amendment clarifies the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property. The amendment is effective prospectively.

These amendments did not have an impact on the financial position or performance of the Group.

Resolutions promulgated by the Public Oversight Authority

In addition to those mentioned above, the POA has promulgated the following resolutions regarding the implementation of Turkish Accounting Standards. "The financial statement examples and user guide" became immediately effective at its date of issuance; however, the other resolutions shall become effective for the annual reporting periods beginning after December 31, 2012.

2013-1 Financial Statement Examples and User Guide

The POA promulgated "financial statement examples and user guide" on May 20, 2013 in order to ensure the uniformity of financial statements and facilitate their audit. The financial statement examples within this framework were published to serve as an example to financial statements to be prepared by companies obliged to apply Turkish Accounting Standards, excluding financial institutions established to engage in banking, insurance, private pensions or capital market. The Group has made the related classifications stated in Note 2.3. in order to comply with the requirements of this regulation.

2013-2 Accounting of Combinations under Common Control

In accordance with the resolution it has been decided that i) combination of entities under common control should be recognized using the pooling of interest method, ii) and thus, goodwill should not be included in the financial statements and iii) while using the pooling of interest method, the financial statements should be prepared as if the combination has taken place as of the beginning of the reporting period in which the common control occurs and should be presented comparatively from the beginning of the reporting period in which the common control occurred. This resolution did not have any impact on the consolidated financial statements of the Group.

2013-3 Accounting of Redeemed Share Certificates

Clarification has been provided on the conditions and circumstances where the redeemed share certificates shall be recognized as a financial liability or equity based financial instruments. This resolution did not have any impact on the consolidated financial statements of the Group.

2013-4 Accounting of Cross Shareholding Investments

If a subsidiary of an entity holds shares of the entity then this is defined as cross shareholding investment. Accounting of this cross investment is assessed based on the type of the investment and different recognition principles adopted accordingly. With this resolution, this topic has been assessed under three main headings below and the recognition principles for each one of them has been determined.

2. Basis of presentation of financial statements (continued)

i) the subsidiary holding the equity based financial instruments of the parent,
ii) the associates or joint ventures holding the equity based financial instruments of the parent,
iii) the parent's equity based financial instruments are held by an entity, which is accounted as an investment within the scope of TAS 38 and TFRS 9 by the parent.

This resolution did not have any impact on the consolidated financial statements of the Group.

2.6 Offsetting

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

2.7 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates, and other similar allowances.

Sale of goods:

Revenue from sale of goods is recognized when all the following conditions are satisfied:

- The Group has transferred all the significant risks and rewards of ownership of the goods and services to the buyer;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold and services provided;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services:

Revenue is recognized by when it is probable that the economic benefits associated with the transaction will flow to the entity and the. When an uncertainty occurs about the collectability of revenue recognized, the uncollected revenue is not deducted from the revenue. Instead, it is recognized as expense in the financial statements.

The assumptions for the reliability of revenue recognition after the agreement of third parties is as follows:

- Contractual rights of each parties under sanction according to the agreement
- Service fee
- Payment terms and conditions

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

2. Basis of presentation of financial statements (continued)

Dividend and interest revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. Dividend revenue from investments is recognized when the shareholders' rights to receive payment have been established.

2.8 Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is calculated with first in first out method for LPG and with weighted average method for other inventories. Cost elements included in inventories are materials, labour and factory overheads. Overheads include, expenses directly related to production such as direct labor expenses. These expenses also include systematically distributed amounts from fixed and variable costs in factory overheads. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and estimated costs to make the sale.

2.9 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Legal fees are not included into costs. Depreciation of these assets, begins when the assets are ready for their intended use.

With the exception of land and construction in progress, the costs of property, plant and equipment are subject to depreciation using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Economic useful lives of property, plant and equipment are as follows:

	Useful lives
Buildings	25-50 years
Land improvements	10-25 years
LPG Cylinders	10 years
Plant, machinery and equipment	4-25 years
Vessels	10-20 years
Vehicles	3-15 years
Furnitures and fixtures	5-50 years
Leasehold improvements	4-10 years

2. Basis of presentation of financial statements (continued)

2.10 Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Trade rights and licenses

Acquired trade rights and licenses are shown at historical cost. Trade rights and licenses have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives (4 15 years).

Computer software

Acquired computer software licences are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (3 – 5 years).

2.11 Impairment of assets

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are recorded directly to profit and loss statement.

2.13 Financial instruments

2.13.1 Financial assets

Financial assets are classified into the following specified categories: financial assets as 'at fair value through profit or loss' (FVTPL), 'held-to-maturity investments', 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification is made considering the purpose of acquisition of financial asset and its specifications, at the time of initial recording of the asset.

2. Basis of presentation of financial statements (continued)

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognized on an effective interest basis for debt instruments other than those financial assets designated as at FVTPL.

Financial assets at FVTPL

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Available-for-sale financial assets

Quoted equity investments and quoted certain debt securities held by the Group that are traded in an active market are classified as being available- for-sale financial assets and are stated at fair value. The Group also has investments in unquoted equity investments that are not traded in an active market but are also classified as available-for-sale financial assets and stated at fair value. Similarly, investments in unquoted equity investments that are not traded in an active market but are also classified as available-for-sale financial assets and stated at cost since the fair value of these investments can not be measured reliably. Gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognized in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends related to available for sale equity items are accounted in income statement, in case the group has earned a right for dividends.

Loans and receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'receivables'. Receivables are measured at amortized cost using the effective interest method less any impairment.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For loans and receivables, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

2. Basis of presentation of financial statements (continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of available-for-sale equity securities, any increase in fair value subsequent to an impairment loss is recognized directly in equity.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, credit card receivables from banks and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.13.2 Financial liabilities

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below. Financial liabilities are recognized in Group's balance sheet in case the Group is a party related to the liability.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities

Trade payables are recognized at fair value and subsequently measured at amortized cost using effective interest rate method.

2.13.3 Derivative financial instruments and hedge accounting

The Group's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rates. The Group uses derivative financial instruments (primarily foreign currency forward contracts) to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions.

2. Basis of presentation of financial statements (continued)

These derivative instruments are recorded at fair value at the beginning of the contract and subsequently measured with its fair value. If the fair value is positive, derivatives are classified as financial asset or otherwise financial liability.

Such derivative instruments are generally accounted as trading derivative instruments in consolidated financial statements, because they do not have related specifications in terms of hedge accounting. The gains and losses related to the changes in fair values of such financial instruments are shown in the income statement.

2.14 Business combinations

Before January 1, 2010 business combinations carried out by the group has accounted for using the acquisition method according to before revised IFRS 3 "Business Combinations".

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquirer. The consideration transferred is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, the liabilities incurred by the Group to former owners of the entity and the equity interests issued by the Group. When the agreement with the seller includes a clause that the consideration transferred could be adjusted for future events, the acquisition-date fair value of this contingent consideration is included in the cost of the acquisition. All transaction costs incurred by the Group have been recognized in general administrative expenses.

For each business combination, the Group elects whether it measures the non-controlling interest in the acquirer either at fair value or at the proportionate share of the acquirer's identifiable net assets.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquirer.

Acquisition method requires allocation of the acquisition cost to the assets acquired and liabilities assumed at their fair values on the date of acquisition. Accordingly, acquired assets and liabilities and contingent liabilities assumed are recognized at IFRS 3 fair values on the date of acquisition. Acquired company is consolidated starting from the date of acquisition.

Partial share sale and purchase transactions settled with minority shareholders

The Group evaluates the share transactions realized with non-controlling interests as transactions within the shareholders. Consequently, the difference between the purchase cost and the net asset purchased from other shareholders are accounted under shareholders' equity in "subsidiary share purchase transactions" whereas share sale transactions to parties other than parent company are accounted as "transactions with non-controlling interest".

2. Basis of presentation of financial statements (continued)

2.15 Foreign currency transactions

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in TL, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements. The functional currency of participations and subsidiaries that are included in the scope of consolidation is TL.

In preparing the financial statements of the individual entities, transactions in currencies other than TL (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on transactions entered in order to hedge certain foreign currency risks; and

- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group’s foreign operations are expressed in TL using exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group’s translation reserve. Such exchange differences are recognized in profit or loss in the period in which the foreign operation is disposed of.

2.16 Earnings per share

Earnings per share disclosed in the accompanying consolidated statement of income is determined by dividing net income by the weighted average number of shares in existence during the year concerned.

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

2. Basis of presentation of financial statements (continued)

2.17 Subsequent events

An explanation for any event between the balance sheet date and the publication date of the balance sheet, which has positive or negative effects on the Group (should any evidence come about events that were prior to the balance sheet date or should new events come about) they will be explained in the relevant footnote.

The Group restates its financial statements if subsequent events which require restatement arise.

2.18 Provisions, contingent liabilities, contingent assets

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in the consolidated financial statements and are disclosed as contingent assets or liabilities.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

2.19 Related parties

Parties are considered related to the Company if;

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

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

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

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

In accordance with the purposes of consolidated financial statements, shareholders, important management personnel and members of board of director, their families and companies controlled by them or depend upon them, the affiliates and partnerships and Koç Group companies are accepted and presented as related parties.

2. Basis of presentation of financial statements (continued)

2.20 Segmental information

The Group management assumes three operating segments to evaluate performance and source utilization decisions. These segments are gas and petroleum products, electricity and other operations. These operating segments are managed separately as the risk and return of these segments are affected by different economic conditions and geographical locations. The Group Management believes that financial results prepared according to TFRS are the best approach to evaluate performance of these operating segments.

2.21 Taxation and deferred tax

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Income tax expense represents the sum of the tax currently payable and deferred tax.

Corporate tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

2. Basis of presentation of financial statements (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

2.22 Employment benefits

Defined benefit plan:

Employment termination benefits, as required by the Turkish Labour Law and the laws applicable in the countries where the subsidiaries operate, represent the estimated present value of the total reserve of the future probable obligation of the Group arising in case of the retirement of the employees, termination of employment without due cause, call for military service, be retired or death upon the completion of a minimum one year service. Provision which is allocated by using defined benefit pension's current value is calculated by using prescribed liability method. All actuarial profits and losses are recognized in consolidated statements of income. The provision made for present value of determined social relief is calculated by the prescribed liability method. All actuarial profits and losses are accounted in the shareholder's equity as other comprehensive income.

Defined contribution plan:

Group, has to compensate the Social Security Contribution of the employees. As long as this is compensated, there is no any other obligation for the Company. Social Security Contributions are classified as personnel expenses as of the accrual date.

2.23 Statement of cash flows

In statement of cash flow, cash flows are classified according to operating, investment and finance activities.

2.24 Share capital and dividends

Common shares are classified as equity. Dividends on common shares are recognized in equity in the period in which they are approved and declared.

2. Basis of presentation of financial statements (continued)

2.25 Research and development expenses

Research expenditure is recognized as an expense as incurred. Costs, except for listed below are classified as development expenditures and recognized as expense as incurred.

- If the cost related to the products can be defined and only if the cost can be measured reliably,
- If the technological feasibility can be measured.
- If the good will be sold or will be used within the company.
- If there's a potential market or can be proved that it is used within the company.
- If necessary technological, financial and other resources can be provided to complete the Project.

Other development expenditures are recognized as expense as incurred.

Development costs previously recognized as expense are not recognized as an asset in a subsequent period. Development costs that have been capitalized are amortized from the commencement of the commercial production of the product on a straight-line basis. As of December 31, 2013, the Group has not capitalized research and development expenses. (December 31, 2012: TL 2.622 thousand).

2.26 Important accounting policies and applications

Accounting policies which have material effects on book values of assets and liabilities are as follows:

a) Property plant and equipment and intangible fixed assets are subject to depreciation according to their useful lives (Note 13,14). Estimations of such useful lives are based on the expectations of Group management.

b) The Group Management uses market values for equity items traded in active markets, while determining fair values of available for sale financial assets for sale. For other available for sale financial assets for sale, fair values are determined in line with generally accepted valuation principles using current economical data, trends in the market and expectations.

   Available-for-sale investment of the Group includes shares of Koç Finansal Hizmetler A.Ş. as an unlisted company, which owns the majority shareholder of Yapı ve Kredi Bankası with 81,8%. Since the shares of Yapı ve Kredi Bankası are traded in Istanbul Stock Exchange, the fair value of shares of Koç Finansal Hizmetler has been determined by using several methods such as the existing market value of Yapı ve Kredi Bankası and discounted cash flow method and considering price/equity ratio of recent similar local or international acquisitions realized. In the aforementioned discounted cash flow method, discount rate of 16,3% (2012: 12,9) has been taken into consideration. The average of maximum and minimum values that are formed by calculations using these methods are reflected in the recordings as fair value (Note 5).

c) Provision for doubtful receivables is an estimated amount that management believes to reflect for possible future losses on existing receivables that have collection risk due to current economic conditions. During the periodic impairment test for the receivables, the debtors are assessed with their prior year performances and provision is accounted accordingly (Note 8).

2. Basis of presentation of financial statements (continued)

d) In order to record allowances for litigations, the consequences of lost cases are evaluated with the Company lawyers and Company Management makes most accurate evaluations with the available data (Note 17).

e) Actuarial assumptions used on turnover ratio, discount rate and salary increase to calculate the employee benefit provision. Calculation details have been provided in related disclosure (Note 16).

f) There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business and significant judgment is required in determining the provision for income taxes. The Group recognizes tax liabilities for anticipated tax issues based on estimates of whether additional taxes will be due and recognizes tax assets for the carry forward tax losses and unused investment tax credits to the extent that the realization of the related tax benefit through the future taxable profits is probable (Note 29). Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3. Segment information

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 Management evaluates financial results and performance based of TFRS financial statements. Therefore, TFRS financial statements are the basis of segmental reporting. The Group evaluates the performance of its segments based on gross profit, operating profit and earnings before interest, tax, depreciation and amortization.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

3. Segment information (continued)

As of December 31, 2013 and 2012, assets and liabilities according to industrial segments are as follows:

					December 31, 2013
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Assets					
Current assets	755.763	-	124.742	(13.338)	867.167
Non-current assets	1.891.932	-	119.068	310.139	2.321.139
Total assets	2.647.695	-	243.810	296.801	3.188.306
Liabilities					
Short term liabilities	623.359	-	61.405	(17.572)	667.192
Long term liabilities	266.238	-	9.613	1.687	277.538
Equity	1.758.098	-	172.792	312.686	2.243.576
Total liabilities and equity	2.647.695	-	243.810	296.801	3.188.306
Investments accounted under equity method	1.145.592	184.393	47.169	-	1.377.154

					December 31, 2012
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Assets					
Current assets	646.641	-	103.803	(57.971)	692.473
Non-current assets	2.018.409	-	118.783	126.590	2.263.782
Total assets	2.665.050	-	222.586	68.619	2.956.255
Liabilities					
Short term liabilities	461.730	-	39.399	(57.971)	443.158
Long term liabilities	122.935	-	6.306	3.321	132.562
Equity	2.080.385	-	176.881	123.269	2.380.535
Total liabilities and equity	2.665.050	-	222.586	68.619	2.956.255
Investments accounted under equity method	1.056.322	173.506	363	-	1.230.191

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

3. Segment information (continued)

As of December 31, 2013 and 2012, income and loss according to industrial segments are as follows:

					January 1 - December 31, 2013
Marketing, sales and distribution expenses (-)	**Gas and petroleum products**	**Electricity**	**Other**	**Consolidation adjustments**	**Total**
Revenue	**5.735.122**	**-**	**407.870**	**(138.008)**	**6.004.984**
Cost of sales (-)	**(5.215.803)**	**-**	**(358.770)**	**140.933**	**(5.433.640)**
Gross profit	**519.319**	**-**	**49.100**	**2.925**	**571.344**
Marketing, sales and distribution expenses (-)	**(215.516)**	**-**	**(14.228)**	**-**	**(229.744)**
General administrative expenses (-)	**(150.640)**	**-**	**(17.369)**	**922**	**(167.087)**
Research and development expenses (-)	**(2.984)**	**-**	**-**	**-**	**(2.984)**
Other operating income	**79.061**	**-**	**6.319**	**(27.127)**	**58.253**
Other operating expenses (-)	**(55.496)**	**-**	**(3.979)**	**(123)**	**(59.598)**
Operating profit	**173.744**	**-**	**19.843**	**(23.403)**	**170.184**
Income from investment activities	**1.459**	**-**	**24**	**(225)**	**1.258**
Loss from investment activities (-)	**(234)**	**-**	**-**	**-**	**(234)**
Profit/losses from investments accounted under equity method	**-**	**-**	**-**	**63.242**	**63.242**
Operating profit before financial income / (expense)	**174.969**	**-**	**19.867**	**39.614**	**234.450**
Financial income	**15.681**	**-**	**3.684**	**-**	**19.365**
Financial expense (-)	**(15.732)**	**-**	**(1.124)**	**-**	**(16.856)**
Profit before taxation	**174.918**	**-**	**22.427**	**39.614**	**236.959**
Tax income / (expense)					
Current tax expense for the period (-)	**(30.831)**	**-**	**(1.530)**	**-**	**(32.361)**
Deferred tax income / (expense)	**441**	**-**	**179**	**117**	**737**
Profit for the period	**144.528**	**-**	**21.076**	**39.731**	**205.335**
Distribution of profit for the period:					
Non-controlling interest	**82**	**-**	**-**	**-**	**82**
Equity holders of the parent	**144.446**	**-**	**21.076**	**39.731**	**205.253**
Investments accounted under equity method	**86.090**	**(24.654)**	**1.806**	**-**	**63.242**

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

3. Segment information (continued)

	January 1 - December 31, 2012				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Revenue	5.398.666	-	326.691	(139.298)	5.586.059
Cost of sales (-)	(4.919.423)	-	(286.815)	141.248	(5.064.990)
Gross profit	479.243	-	39.876	1.950	521.069
Marketing, sales and distribution expenses (-)	(203.891)	-	(9.760)		(213.651)
General administrative expenses (-)	(124.518)	-	(14.051)	925	(137.644)
Research and development expenses (-)	(2.521)	-	-		(2.521)
Other operating income	70.006	-	5.739	(11.974)	63.771
Other operating expenses (-)	(20.891)	-	(4.483)	225	(25.149)
Operating profit	197.428	-	17.321	(8.874)	205.875
Income from investment activities	4.163	-	112	18	4.293
Loss from investment activities (-)	(534)	-	(1.438)	1.438	(534)
Profit/losses from investments accounted under equity method	-	-	-	134.575	134.575
Operating profit before financial income / (expense)	201.057	-	15.995	127.157	344.209
Financial income	17.350	-	3.168	(104)	20.414
Financial expense (-)	(18.815)	-	(1.036)	104	(19.747)
Profit before taxation	199.592	-	18.127	127.157	344.876
Tax income / (expense)					
Current tax expense for the period (-)	(36.799)	-	(1.448)	-	(38.247)
Deferred tax income / (expense)	(1.150)	-	(89)	(425)	(1.664)
Profit for the period	161.643	-	16.590	126.732	304.965
Distribution of profit for the period:					
Non-controlling interest	35	-	-	-	35
Equity holders of the parent	161.608	-	16.590	126.732	304.930
Investments accounted under equity method	148.464	(13.886)	(3)	-	134.575

The amortization and depreciation expense for the industrial segmental assets as of December 31, 2013 and 2012 is as follows:

	January 1 - December 31, 2013	January 1 - December 31, 2012
Gas and petroleum products	**74.973**	72.190
Other	**7.167**	6.737
	82.140	78.927

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

3. Segment information (continued)

The investment expenditures for the industrial segmental assets as of December 31, 2013 and 2012 are as follows:

	January 1 - December 31, 2013	January 1 - December 31, 2012
Gas and petroleum products	**73.968**	95.218
Other	**2.516**	1.884
	76.484	97.102

4. Cash and cash equivalents

	December 31, 2013	December 31, 2012
Cash on hand	**356**	232
Cash at banks	**140.136**	99.545
- Demand deposits	***16.187***	*33.146*
- Time deposits	***123.949***	*66.399*
Receivables from credit card transactions	**32.562**	25.588
Total cash and cash equivalents	**173.054**	125.365

As of December 31, 2013 the Group's TL time deposits amounting to TL 76.670 thousand have maturities of 2 – 32 days and interest rates of 6,5 – 9,4%; USD time deposits amounting to USD 22.150 thousand (TL 47.275 thousand) have a maturity of 2 days and an interest rate of 1,9% (As of December 31, 2012 the Group's TL time deposits amounting to TL 46.016 thousand have maturities of 2 – 35 days and interest rates of 6 – 8%; USD time deposits amounting to USD 11.400 thousand (TL 20.231 thousand) have a maturity of 2 days and an interest rate of 2%).

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

5. Financial assets

The Group's long term financial assets identified as available-for-sale financial assets are as follows as of December 31, 2013 and 2012:

	December 31, 2013		December 31, 2012	
	Participation amount	**Participation rate %**	Participation amount	Participation rate %
Koç Finansal Hizmetler A.Ş. (*)	**265.950**	**1,97**	315.200	1,97
Ram Dış Ticaret A.Ş. (**)	**1.338**	**2,50**	1.463	2,50
Tanı Pazarlama ve İletişim Hizmetleri A.Ş. (***)	**540**	**10,00**	540	10,00
Tat Gıda Sanayi A.Ş. (**)	**34**	**0,08**	32	0,08
Other (***)	**23**	**-**	23	-
	267.885		317.258	

(*) 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 recognized in the statement of profit and loss.
(***) Stated at cost, because fair value could not be determined reliably.

6. Financial borrowings

Short term bank borrowings

	December 31, 2013	**Interest rate (%)**	December 31, 2012	Interest rate (%)
Short term borrowings (USD)	**85.372**	**1,79 - 1,85**	-	-
Short term borrowings (TL)	**33**	**-**	5.810	-
Total short term bank borrowings	**85.405**	**1,79 - 1,85**	5.810	

Long term borrowings

On April 18, 2013, the Group has issued a fixed rate bond with a nominal value of TL 150.000 thousand, with a maturity of 700 days and half-yearly coupon payments. As of December 31, 2013, net present value of the issued bond is TL 152.402 thousand (Amounting to TL 9.905 is shown as current portion of long term financial borrowings) and its effective interest rate is 7,26%.

7. Derivative financial instruments

As of December 31, 2013, the Group does not have any derivative financial instruments. (As of December 31, 2012, the Group has forward contracts with an average maturity of three months and nominal amounts of USD 14.430. The Group recognized the difference between net book value and fair value as of December 31, 2012, amounting to TL 135 thousand in derivative financial instruments under short-term liabilities).

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

8. Trade receivables and payables from third parties

The Group's trade receivables as December 31, 2013 and 2012 are as follows:

Current trade receivables	**December 31, 2013**	December 31, 2012
Trade receivables	**300.896**	251.989
Notes receivables	**64.892**	51.937
Allowance for doubtful receivables (-)	**(16.694)**	(15.558)
Total current trade receivables	**349.094**	288.368

Non-current trade receivables	**December 31, 2013**	December 31, 2012
Notes receivable	**6.756**	5.087
Total non-current trade receivables	**6.756**	5.087

Movement of allowance for doubtful receivables	**January 1 - December 31, 2013**	January 1 - December 31, 2012
Balance at beginning of year	**15.558**	15.220
Additional provision	**2.136**	1.921
Written off (*)	**-**	(946)
Collections	**(1.000)**	(637)
Closing balance	**16.694**	15.558

(*) Uncollectible doubtful receivables and related allowances are written off.

Allowance for doubtful receivables has been raised per customer, based on the past experiences of the Company management.

Level and composition of risks of trade receivables are explained in note 32.

The Group's trade payables as of December 31, 2013 and 2012 are as follows:

Short term trade payables	**December 31, 2013**	December 31, 2012
Trade payables	**212.171**	150.460
Total short term trade payables	**212.171**	150.460

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

9. Other trade receivables and payables from third parties

The Group's other trade receivables and payables as of December 31, 2013 and 2012 are as follows:

Other current receivables	December 31, 2013	December 31, 2012
Guarantees and deposits given	**2.414**	3.031
Other receivables	**2.091**	898
Total other current receivables	**4.505**	3.929

Non-current receivables	December 31, 2013	December 31, 2012
Loans provided to participations (*)	**-**	32.750
Guarantees and deposits given	**77**	61
Total non-current receivables	**77**	32.811

(*) Company, which owns 24,81% of AES Entek has decided to provide AES Entek a shareholder loan to be used mainly for investments in electricity production by percentage of ownership. Accordingly, the Company has provided shareholder loan to AES Entek with its portion amounting to TL 32.750 thousand. The interest rate is TRLIBOR + 3,75% and the interest rate of first interest payment is 14,3244% and is due semi-annually. The following interest payments will be due in three or six months and capital payment will be made at the fifth year. AES Entek increased its share capital from TL 402.000 thousand to TL 538.500 thousand with the decision taken through Ordinary General Meeting held on April 30, 2013. The Company has netted of TL 32.750 thousand of related increase, which corresponds to the preferential right of the Company, from the shareholder loan provided to AES Entek, and the remaining balance amounting to TL 1.113 thousand has been paid in cash in May 2013.

As of December 31, 2013 and 2012, other payables of the Group are as follows:

Other short term payables	December 31, 2013	December 31, 2012
Deposits and guarantees taken	**144**	81
Total other short term payables	**144**	81

Other long term payables	December 31, 2013	December 31, 2012
Cylinder deposits received	**73.614**	70.695
Total other long term payables	**73.614**	70.695

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

10. Liabilities for employee benefits

As of December 31, 2013 and 2012, liabilities for employee benefits of the Group are as follows:

Liabilities for employee benefits	**December 31, 2013**	December 31, 2012
Payables to personnel	**20.949**	13.724
Employee's income tax payable	**12.872**	9.451
Social security liabilities	**2.533**	2.209
Total liabilities for employee benefits borçlar	**36.354**	25.384

11. Inventories

	December 31, 2013	December 31, 2012
Raw materials	**223.889**	156.168
Trade goods	**21.080**	20.545
Goods in transit	**19.333**	30.746
Finished goods	**10.596**	5.451
Work in process	**961**	629
Allowance for impairment on inventory	**(229)**	(229)
Total inventories	**275.630**	213.310

As of December 31, 2013, the inventories compromise of 71.441 tons of LPG (December 31, 2012: 61.647 tons).

Movement of allowance for impairment on inventory of the Group is as follows:

Movement of allowance for impairment on inventory	**January 1 - December 31, 2013**	January 1- December 31, 2012
Opening balance	**229**	229
Additional provision	**-**	-
Closing balance	**229**	229

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

12. Equity investments

	December 31, 2013		December 31, 2012	
	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	**1.875**		1.024	
Legal reserves	**5.509**		5.509	
Financial risk hedge fund	**(1.208)**		(3.095)	
Actuarial gain/loss arising from defined benefit plans	**(273)**		(715)	
The share of the Group in the retained earnings after the acquisition date	**477.731**		391.641	
	1.145.592	**20,00%**	1.056.322	20,00%
AES Entek acquisition value	**118.930**		118.930	
Participation in share capital increase of equity investment	**108.300**		72.759	
The share of the Group in the retained earnings after the acquisition date	**(42.837)**		(18.183)	
	184.393	**24,81%**	173.506	24,81%
Zinerji Enerji Sanayi ve Tic. A.Ş. (establishment cost)	**738**		738	
Group's share in accumulated profit occurred after the date of establishment	**1.313**		(375)	
	2.051	**56,00%**	363	56,00%
Opet Aygaz Gayrimenkul A.Ş.	**45.000**		-	
Group's share in accumulated profit occurred after the date of establishment	**118**		-	
	45.118	**50,00%**	-	-
Total	**1.377.154**		1.230.191	

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

12. Equity investments (continued)

Financial information on Enerji Yatırımları A.Ş., which is consolidated in the Group's financial statements according to equity pick-up method is set out below:

Consolidated balance sheet	December 31, 2013	December 31, 2012
Total assets	**26.052.920**	21.760.735
Total liabilities	**(16.712.928)**	(12.959.753)
Non-controlling interest	**(3.612.030)**	(3.519.374)
Net assets	**5.727.962**	5.281.608
Group's ownership	**20%**	20%
Group's share in associates' net assets	**1.145.592**	1.056.322

Consolidated income statement	January 1 - December 31, 2013	January 1 - December 31, 2012
Revenue	**41.078.427**	47.099.085
Income for the year	**430.452**	742.319
Group's share in associates' profit for the year	**86.090**	148.464

Financial information on AES Entek which is consolidated in the Group's financial statements according to equity pick-up method is set out below:

Consolidated balance sheet	December 31, 2013	December 31, 2012
Total assets	**882.726**	982.348
Total liabilities	**(268.578)**	(412.080)
Net assets	**614.148**	570.268
Group's ownership	**24,81%**	24,81%
Group's share in associates' net assets	**152.370**	141.483
Goodwill	**32.023**	32.023
Group's total share	**184.393**	173.506

Consolidated income statement	January 1 - December 31, 2013	January 1 - December 31, 2012
Revenue	**341.534**	308.375
Loss for the year	**(99.370)**	(55.969)
Group's share in associates' loss for the period	**(24.654)**	(13.886)

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

12. Equity investments (continued)

Financial information on Opet Aygaz Gayrimenkul A.Ş., which is consolidated in the Group’s financial statements according to equity pick-up method is set out below:

Consolidated balance sheet	**December 31, 2013**
Total assets	101.896
Total liabilities	(11.660)
Net assets	**90.236**
Group's ownership	**50%**
Group's share in associates' net assets	**45.118**

Consolidated income statement	**January 1 - December 31, 2013**
Revenue	-
Income for the year	236
Group's share in associates' profit for the year	**118**

Financial information on Zinerji A.Ş., which is consolidated in the Group’s financial statements according to equity pick-up method is set out below:

Consolidated balance sheet	**December 31, 2013**	December 31, 2012
Total assets	**3.732**	649
Total liabilities	**(69)**	-
Net assets	**3.663**	649
Group's ownership	**56%**	56%
Group's share in associates' net assets	**2.051**	363

Consolidated income statement	**January 1 - December 31, 2013**	January 1 - December 31, 2012
Revenue	**-**	-
Income for the year	**3.013**	(6)
Group's share in associates' profit for the year	**1.688**	(3)

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

13. Property, plant and equipment

	Land	Land improvements	Buildings	Plant, machinery, equipment and LPG cylinders	Vehicles and vessels	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
Acquisition cost									
Opening balance as of January 1, 2013	16.204	109.330	69.165	1.535.065	201.546	51.601	24.109	15.512	2.022.532
Additions	-	-	-	1.496	1.685	784	-	72.519	76.484
Transfers (*)	-	7.761	1.560	57.602	4.338	3.468	805	(76.130)	(596)
Disposals	-	(1.915)	(118)	(38.399)	(1.969)	(2.811)	(195)	-	(45.407)
Ending balance as of December 31, 2013	16.204	115.176	70.607	1.555.764	205.600	53.042	24.719	11.901	2.053.013
Accumulated depreciation									
Opening balance as of January 1, 2013	-	46.118	43.346	1.170.826	107.113	37.883	22.319	-	1.427.605
Charge of the period	-	4.044	1.965	56.070	9.936	3.793	724	-	76.532
Disposals	-	(1.393)	(95)	(34.420)	(1.733)	(2.722)	(91)	-	(40.454)
Ending balance as of December 31, 2013	-	48.769	45.216	1.192.476	115.316	38.954	22.952	-	1.463.683
Net book value as of December 31, 2013	16.204	66.407	25.391	363.288	90.284	14.088	1.767	11.901	589.330

(*) TL 1.025 thousand under "Construction in progress" under the account property, plant and equipment has been classified to intangible fixed assets. Remaining balance amounting to TL 429 thousand, consists of the spare parts and maintenance equipments which were earlier accounted under "inventories" and have been reclassified to plant, machinery, equipment and LPG cylinders under the account "property, plant and equipment" in 2013.

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

13. Property, plant and equipment (continued)

	Land	Land improvements	Buildings	Plant, machinery, equipment and LPG cylinders	Vehicles and vessels	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
Acquisition cost									
Opening balance as of January 1, 2012	15.531	101.381	64.535	1.487.558	229.503	49.784	22.698	17.849	1.988.839
Additions	-	308	1.244	14.402	6.690	637	1.356	72.234	96.871
Transfers (*)	673	7.777	3.416	56.530	3.154	4.992	655	(74.571)	2.626
Disposals	-	(136)	(30)	(23.425)	(37.801)	(3.812)	(600)	-	(65.804)
Ending balance as of December 31, 2012	16.204	109.330	69.165	1.535.065	201.546	51.601	24.109	15.512	2.022.532
Accumulated depreciation									
Opening balance as of January 1, 2012	-	42.492	41.503	1.136.816	135.444	38.048	21.730	-	1.416.033
Charge of the period	-	3.732	1.848	54.524	8.970	3.548	724	-	73.346
Disposals	-	(106)	(5)	(20.514)	(37.301)	(3.713)	(135)	-	(61.774)
Ending balance as of December 31, 2012	-	46.118	43.346	1.170.826	107.113	37.883	22.319	-	1.427.605
Net book value as of December 31, 2012	16.204	63.212	25.819	364.239	94.433	13.718	1.790	15.512	594.927

(*) TL 867 thousand under “Construction in progress” under the account property, plant and equipment has been classified to intangible fixed assets. On the consolidated balance sheet as of December 31, 2012, in accordance with the amendments in TAS 16 Property, Plant and Equipment, the spare parts and maintenance equipments amounting to TL 3.493 thousand which were earlier accounted under “inventories”, have been reclassified to plant, machinery, equipment and LPG cylinders under the account “property, plant and equipment”.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

13. Property, plant and equipment (continued)

In year 2013, the Group has not capitalized any borrowing cost (2012: none).

The carrying amounts of fully depreciated property, plant and equipment still in use are as follows:

	December 31, 2013	December 31, 2012
Land improvements	**12.732**	9.476
Buildings	**16.396**	15.812
Plant, machinery, equipment and LPG cylinders	**827.750**	780.063
Vehicles and vessels	**45.929**	52.175
Furniture and fixtures	**28.517**	29.291
Leasehold improvements	**21.664**	21.723
	952.988	908.540

As of December 31, 2013 and 2012, the details of depreciation expenses are as follows:

	January 1 - December 31 2013	January 1 - December 31, 2012
Cost of sales	**59.330**	58.633
Cost of services rendered	**4.817**	4.801
General and administrative expenses	**5.842**	3.899
Selling, marketing and distribution expenses	**5.390**	5.213
Capitalized on cylinders	**1.153**	800
	76.532	73.346

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

14. Intangible assets

	Rights	Total
Acquisition costs		
Opening balance as of January 1, 2013	**52.127**	**52.127**
Transfers (*)	**1.025**	**1.025**
Ending balance as of December 31, 2013	**53.152**	**53.152**
Accumulated depreciation		
Opening balance as of January 1, 2013	**16.982**	**16.982**
Charge for the period	**5.608**	**5.608**
Ending balance as of December 31, 2013	**22.590**	**22.590**
Carrying value as of December 31, 2013	**30.562**	**30.562**

(*) TL 1.025 thousand under “Construction in progress” under the account property, plant and equipment has been classified to intangible fixed assets.

	Rights	Total
Acquisition costs		
Opening balance as of January 1, 2012	51.323	51.323
Additions	231	231
Transfers (*)	867	867
Disposals	(294)	(294)
Ending balance as of December 31, 2012	52.127	52.127
Accumulated depreciation		
Opening balance as of January 1, 2012	11.652	11.652
Charge for the period	5.581	5.581
Disposals	(251)	(251)
Ending balance as of December 31, 2012	16.982	16.982
Carrying value as of December 31, 2012	35.145	35.145

(*) TL 867 thousand under “Construction in progress” under the account property, plant and equipment has been classified to intangible fixed assets.

As of December 31, 2013 and 2012, the details of amortization expenses of intangible assets are as follows:

	January 1 - December 31, 2013	January 1 - December 31, 2012
General and administrative expenses	**5.608**	5.581
	5.608	5.581

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

15. Contingent liabilities, contingent assets

Details of contingent liabilities as of December 31, 2013 and 2012 are as follows:

Guarantees given	**December 31, 2013**	December 31, 2012
Letter of guarantees given to customs for gas import	**234.171**	31.916
Other letter of guarantees given	**18.180**	13.410
Total guarantees given	**252.351**	45.326

<u>The liability for environmental pollution</u>:

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. There is no case opened against the Group accordingly as of the consolidated balance sheet date, the Group does not have a liability for environmental pollution.

<u>National inventory reserve liability</u>:

Oil refineries, licensed oil and LPG distributers should carry at least equivalent of 20 times their average daily sales of inventory in their tankers or the rented tankers of licensed third parties.

<u>Commitments of EYAŞ resulting from acquisition of TÜPRAŞ</u>:

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.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

15. Provisions, contingent liabilities, contingent assets (continued)

The details of the Company's and its subsidiaries' guarantees given or contingent liabilities on the behalf of each other, related parties, parent company or third parties within the context of business operations or other purposes are as follows:

	December 31, 2013				December 31, 2012			
	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	**32.625**	**4.172**	**215.554**	**252.351**	26.303	3.341	15.682	45.326
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	**32.625**	**4.172**	**215.554**	**252.351**	26.303	3.341	15.682	45.326

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

16. Long term provision for employee benefits

Details of long term provisions for employee benefits as of December 31, 2013 and 2012 are as follows:

Long term provision for employee benefits	December 31, 2013	December 31, 2012
Retirement pay provision	**20.255**	19.901
Vacation pay provision	**4.230**	2.321
Total long term provision for employee benefits	**24.485**	22.222

Retirement pay provision:

Under the Turkish Legislations, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service and reaches the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of full TL 3.254,44 (December 31, 2012: full TL 3.033,98) for each year of service at December 31, 2013.

The liability is not funded, as there is no funding requirement.

In accordance with Turkish Labour Code, employment termination benefit is the present value of the total estimated provision for the liabilities of the personnel who may retire in the future. The provision made for present value of determined social relief is calculated by the prescribed liability method. All actuarial profits and losses are accounted in the consolidated income statement.

TFRS require actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. The Group makes a calculation for the employment termination benefit by applying the prescribed liability method, by the experiences and by considering the personnel who become eligible for pension. This provision is calculated by expecting the present value of the future liability which will be paid for the retired personnel.

Accordingly, the following actuarial assumptions were used in the calculation of the total liability.

	2013	2012
Net discount rate (%)	**4,78**	3,86
Turnover rate related to the probability of retirement (%)	**95,10 - 97,82**	93,49 – 97,86

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

16. Long term provision for employee benefits (continued)

The movement of retirement pay provision for the period ended December 31, 2013 and 2012 is as follows:

	January 1 - December 31, 2013	January 1 - December 31, 2012
Opening balance at January 1	**19.901**	16.756
Charge for the period	**5.109**	6.045
Actuarial (gain) / loss	**(1.643)**	1.358
Retirement pay paid	**(3.112)**	(4.258)
Closing balance at December 31	**20.255**	19.901

17. Other short term provisions

Other short term provisions	**December 31, 2013**	December 31, 2012
Special Consumption Tax (SCT) provision on imported LPG	**64.554**	32.820
Provision for general and administrative expenses	**11.592**	252
Provision for selling and marketing expenses	**2.214**	168
Provision for EMRA contribution	**3.653**	4.116
Provision for lawsuit	**3.360**	2.377
Total other short term provisions	**85.373**	39.733

Movement of SCT provision on imported LPG	**January 1- December 31, 2013**	January 1- December 31, 2012
Opening balance	**32.820**	38.772
Paid in current year	**(32.820)**	(38.772)
Provision for current year	**64.554**	32.820
Closing balance	**64.554**	32.820

Movement of provision for general and administrative expenses	**January 1- December 31, 2013**	January 1- December 31, 2012
Opening balance	**252**	299
Paid in current year	**(252)**	(299)
Provision for current year	**11.592**	252
Closing balance	**11.592**	252

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

18. Other current assets and liabilities

Other current assets	**December 31, 2013**	December 31, 2012
VAT carried forward	**3.189**	3.514
Fuel used in shipping operations	**2.676**	1.867
Income accrual	**166**	1.175
Other current assets	**691**	1.176
Total other current assets	**6.722**	7.732

Other current liabilities	**December 31, 2013**	December 31, 2012
Taxes and funds payable	**63.359**	95.808
Other liabilities	**4.255**	1.377
Total other current liabilities	**67.614**	97.185

19. Prepaid expenses

As of December 31, 2013 and 2012, the details of prepaid expenses in current assets are as follows:

Prepaid expenses	**December 31, 2013**	December 31, 2012
Prepaid expenses	**37.385**	34.602
Advances given	**2.377**	3.419
Total prepaid expenses	**39.762**	38.021

As of December 31, 2013 and 2012, the details of prepaid expenses in non-current assets are as follows:

Prepaid expenses	**December 31, 2013**	December 31, 2012
Prepaid expenses	**49.134**	48.289
Advances given	**2**	2
Total prepaid expenses	**49.136**	48.291

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

20. Deferred income

Deferred income	**December 31, 2013**	December 31, 2012
Advances taken	**1.663**	1.545
Prepaid income	**1.305**	936
Total deferred income	**2.968**	2.481

21. Share capital

As of December 31, 2013 and 2012 the share capital held is as follows:

Shareholders	**Participation rate**	**December 31, 2013**	Participation rate	December 31, 2012
Koç Holding A.Ş.	**40,68%**	**122.054**	40,68%	122.054
Liquid Petroleum Gas Development Company ("LPGDC") (*)	**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
Publicly held (*)	**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

(*) TL 2.725.041,31 under publicly held shares (0,91% participation rate on the share capital) belong to Hilal Madeni Eşya Ticaret Sanayi ve Yatırım A.Ş., a 100% owned subsidiary of LPGDC.

(**) "Adjustment to share capital" represents the restatement effect of cash and cash equivalent contributions to share capital measured in accordance with the TAS/TFRS promulgated by the POA. "Adjustment to share capital" has no use other than being transferred to paid-in share capital.

<u>Restricted reserves assorted from the profit</u>

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions. According to Turkish Commercial Code, legal reserves may only be used as long as it does not exceed 50% of the paid capital. It may not be used under any circumstances.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

21. Share capital (continued)

The details of the restricted reserves are stated below:

	December 31, 2013	December 31, 2012
Legal reserves (*)	**139.241**	97.659
Gain on sale of subsidiary share that will be added to capital	**138.634**	210.187
	277.875	307.846

(*) As explained in Note 1, as of January 22, 2013 Mogaz has merged with Aygaz A.Ş. through a whole take-over of all assets and liabilities. The increase amounting to TL 13.082 thousand in 2013 is related with merger.

Profit distribution:

Listed companies distribute dividend in accordance with the Communiqué No. II-19.1 issued by the CMB which is effective from February 1, 2014.

Companies distribute dividends in accordance with their dividend payment policies settled and dividend payment decision taken in general assembly and also in conformity with relevant legislations. The communiqué does not constitute a minimum dividend rate. Companies distribute dividend in accordance with the method defined in their dividend policy or articles of incorporation. In addition, dividend can be distributed by fixed or variable installments and advance dividend can be paid in accordance with profit on interim financial statements of the Company.

In accordance with the Turkish Commercial Code (TCC), unless the required reserves and the dividend for shareholders as determined in the article of association or in the dividend distribution policy of the company are set aside, no decision may be made to set aside other reserves, to transfer profits to the subsequent year or to distribute dividends to the holders of usufruct right certificates, to the members of the board of directors or to the employees; and no dividend can be distributed to these persons unless the determined dividend for shareholders is paid in cash.

Total net statutory profit for the year, after deducting the prior year losses and other sources that are subject the profit distribution as of December 31, 2013 amounts to TL 1.156.262. (December 31, 2012: TL 1.227.398). TL 209.043 thousand of such sources from adjustment differences and TL 165.839 thousand from other capital reserves are subject to corporation tax when distributed.

<u>Dividends paid</u>

In the Ordinary General Meeting held on April 3, 2013, the Company decided to reserve TL 28.500 thousand as legal reserves and distribute TL 300.000 thousand gross dividends from the net distributable income of 2012. According to this decision, the Company has begun dividend payments on April 9, 2013.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

21. Share capital (continued)

Gains and losses from the revaluation and reclassification of marketable securities:

Gains and losses from the revaluation and reclassification of marketable securities are related with financial assets and details are as follows:

	December 31, 2013	December 31, 2012
Koç Finansal Hizmetler A.Ş.	**166.865**	213.653
	166.865	213.653

Currency translation adjustment

Currency translation adjustment as of December 31, 2013 represent, the Company's share of currency translation adjustment of equity investment.

Financial risk hedging reserve:

Fair value of losses resulting from the interest rate swap agreements made for hedging against interest rate risks relating to the loan used by Enerji Yatırımları A.Ş. as of December 31, 2010 for the purchase of 51% of TÜPRAŞ shares is shown as "Financial Risk Hedging Fund" in consolidated financial statements.

Non-controlling interest:

	January 1 - December 31, 2013	January 1 - December 31, 2012
Opening balance	**523**	452
Non-controlling interest on current year profit	**82**	35
Transactions with non-controlling interests	**-**	36
Closing balance	**605**	523

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

22. Revenue and cost of goods sold

Revenue	**January 1 - December 31, 2013**	January 1 - December 31, 2012
Domestic sales	**5.666.647**	5.159.264
Export sales	**611.454**	700.264
Sales returns (-)	**(8.604)**	(9.919)
Sales discounts (-)	**(264.513)**	(263.550)
Total revenue, net	**6.004.984**	5.586.059
Sale of goods	**5.138.971**	5.048.816
Sale of merchandises	**810.530**	484.830
Sale of services	**55.483**	52.413
Revenue	**6.004.984**	5.586.059

	January 1 - December 31, 2013	January 1 - December 31, 2012
Cost of sales:		
Raw materials used	**4.513.952**	4.460.985
Production overheads	**63.098**	64.883
Depreciation expenses	**59.330**	58.633
Personnel expenses	**38.479**	29.868
Change in finished goods inventories	**(5.496)**	486
Change in work in progress inventories	**(332)**	(85)
	4.669.031	4.614.770
Cost of services rendered		
Production overheads	**23.371**	23.365
Personnel expenses	**9.972**	8.894
Depreciation expenses	**4.817**	4.801
	38.160	37.060
Cost of merchandises sold	**726.449**	413.160
Total cost of sales	**5.433.640**	5.064.990

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

23. Marketing, sales and distribution expenses, general administrative expenses, research and development expenses

	January 1 - December 31, 2013	January 1 - December 31, 2012
Marketing, sales and distribution expenses	**229.744**	213.651
General administrative expenses	**167.087**	137.644
Research and development expenses	**2.984**	2.521
Total	**399.815**	353.816

a) Detail of marketing, sales and distribution expenses

	January 1 - December 31, 2013	January 1 - December 31, 2012
Transportation, distribution and warehousing expenses	**103.367**	96.276
Sales expenses	**48.568**	37.938
Personnel expenses	**33.324**	30.639
Advertising and promotion expenses	**28.906**	28.488
Transportation expenses	**6.372**	6.197
Depreciation and amortization expenses	**5.390**	5.213
License expenses	**3.675**	4.169
Other marketing, sales and distribution expenses	**142**	4.731
Total marketing, sales and distribution expenses	**229.744**	213.651

b) Detail of general administrative expenses

	January 1 - December 31, 2013	January 1 - December 31, 2012
Personnel expenses	**71.284**	59.691
Tax expenses	**20.747**	14.199
Depreciation and amortization expenses	**11.450**	9.480
Information technology expenses	**7.384**	7.378
Transportation expenses	**6.467**	6.253
Consultancy expenses	**5.370**	4.543
Donation and aids	**5.120**	4.767
Insurance expenses	**4.694**	3.116
Maintenance expenses	**3.399**	4.807
Lawsuit, consultancy and auditing expenses	**2.491**	3.321
Communication expenses	**2.022**	2.484
Post office expenses	**1.957**	1.746
Rent expenses	**1.895**	1.184
Public relations activities expenses	**1.733**	1.274
Other administrative expenses	**21.074**	13.401
Total general administrative expenses	**167.087**	137.644

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

23. Marketing, sales and distribution expenses, general administrative expenses, research and development expenses (continued)

c) Detail of research and development expenses

	January 1 - December 31, 2013	January 1 - December 31, 2012
Outsourced research and development expenses	**2.984**	2.521
Total research and development expenses	**2.984**	2.521

24. Expenses related to their nature

	January 1 - December 31, 2013	January 1 - December 31, 2012
Personnel expenses	**104.608**	90.330
Transportation, distribution and warehousing expenses	**103.367**	96.276
Sales expenses	**48.568**	37.938
Advertising and promotion expenses	**28.906**	28.488
Tax expenses	**20.747**	14.609
Depreciation and amortization expenses	**16.840**	14.693
Transportation expenses	**12.840**	12.450
Information technology expenses	**7.384**	7.378
Consultancy expenses	**5.370**	4.543
Donation and aids	**5.120**	4.767
Insurance expenses	**4.694**	3.809
License expenses	**3.675**	4.169
Maintenance expenses	**3.449**	5.677
Outsourced research and development expenses	**2.984**	2.521
Lawsuit, consultancy and auditing expenses	**2.491**	3.719
Communication expenses	**2.022**	2.484
Rent expenses	**1.895**	1.642
Public relations activities expenses	**1.733**	1.274
Other	**23.122**	17.049
Total	**399.815**	353.816

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

25. Other operating income / expenses

Other operating income and profit for the years ended December 31, 2013 and 2012 are as follows:

Other operating income:	**January 1 - December 31, 2013**	January 1 - December 31, 2012
Foreign exchange gains arising from trading activities	**17.155**	20.826
Income generated from maturity differences of sales	**15.310**	18.622
Dividend income	**5.346**	106
Fair value differences on forward transactions	**3.179**	181
Rent income	**2.294**	2.261
Income from port services	**2.119**	2.509
Gain on sale of scrap	**1.297**	1.703
Demurrage income	**1.004**	4.048
LPG pipeline usage income	**846**	1.102
Vessel service income	**529**	1.316
Reversal of provisions	**296**	2.088
Commission income	**-**	1.163
Other income and profits	**8.878**	7.846
Total	**58.253**	63.771

Other operating expense and loss for the period ended December 31, 2013 and 2012 are as follows:

Other operating expenses:	**January 1 - December 31, 2013**	January 1 - December 31, 2012
Foreign exchange losses arising from trading activities	**42.090**	4.593
Expenses from maturity differences of purchases on credit	**12.464**	14.094
Provision expenses	**2.897**	3.295
Fair value differences on forward transactions	**300**	882
Other operating expenses	**1.847**	2.285
Total	**59.598**	25.149

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

26. Income and expenses from investment activities

Income from investment activities:	January 1 - December 31, 2013	January 1 - December 31, 2012
Income from sales of property plant and equipment	**1.258**	4.293
Total	**1.258**	4.293

Expenses from investment activities:	January 1 - December 31, 2013	January 1 - December 31, 2012
Expenses from sales of property plant and equipment	**234**	534
Total	**234**	534

27. Financial income

Financial income for the period ended December 31, 2013 and 2012 are as follows:

	January 1 - December 31, 2013	January 1 - December 31, 2012
Foreign exchange translation gain	**10.908**	2.187
Interest income	**7.180**	15.433
Other	**1.277**	2.794
Total	**19.365**	20.414

28. Financial expense

Financial expense for the period ended December 31, 2013 and 2012 are as follows:

	January 1 - December 31, 2013	January 1 - December 31, 2012
Interest expense	**9.122**	-
Foreign exchange translation loss	**7.734**	19.747
Total	**16.856**	19.747

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

29. Tax assets and liabilities

	December 31, 2013	December 31, 2012
Current tax liability:		
Current corporate tax provision	**32.361**	38.247
Less: Prepaid taxes and funds	**(29.712)**	(34.788)
Current tax liability	**2.649**	3.459

Tax expense in profit or loss statement	**January 1- December 31, 2013**	January 1- December 31, 2012
Current corporate tax provision	**(32.361)**	(38.247)
Deferred tax income	**737**	(1.664)
	(31.624)	(39.911)

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 2013 is 20% (2012: 20%).

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate in 2013 is 20% (2012: 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.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

29. Tax assets and liabilities (continued)

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.

Deferred tax

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between the financial statements as reported for TFRS 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 TFRS and tax legislation. The rate applied in the calculation of deferred tax assets and liabilities is 20%. (December 31, 2012: 20%).

Deferred tax (assets)/liabilities:	**December 31, 2013**	December 31, 2012
Restatement and depreciation / amortization differences of property, plant and equipment and other intangible assets	**34.721**	33.678
Revaluation fund on financial assets	**8.782**	11.243
Valuation of inventories	**249**	141
Provision for employment termination benefits	**(3.963)**	(3.921)
Carry forward tax losses	**(365)**	-
Carry forward tax losses used	**-**	(495)
Other	**(2.721)**	(1.073)
	36.703	39.573

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

	December 31, 2013			December 31, 2012		
	Deferred tax			Deferred tax		
	Assets	**Liabilities**	**Net**	Assets	Liabilities	Net
Aygaz A.Ş.	**(8.006)**	**43.217**	**35.211**	(4.371)	37.846	33.475
Mogaz Petrol Gazları A.Ş. (*)	**-**	**-**	**-**	(2.464)	7.112	4.648
Akpa A.Ş.	**(517)**	**278**	**(239)**	(282)	210	(72)
Aygaz Doğal Gaz	**(603)**	**2.334**	**1.731**	(714)	2.236	1.522
	(9.126)	**45.829**	**36.703**	(7.831)	47.404	39.573

(*) As explained in Note 1, as of January 22, 2013 Mogaz has merged with Aygaz A.Ş. through take-over of all assets and liabilities as a whole.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

29. Tax assets and liabilities (continued)

Movement of deferred tax assets and liabilities are as follows:

Movement of deferred tax (assets) / liabilities :	January 1 - December 31, 2013	January 1 - December 31, 2012
Opening balance on January 1	**39.573**	34.541
Deferred tax expense / (income)	**(737)**	1.664
Deferred tax income/expense reflected in comprehensive income statement:	**(2.133)**	3.368
Actuarial gain/loss arising from defined benefit plans	***329***	*(276)*
Hedging gains/losses	***(2.462)***	*3.644*
Closing balance on December 31	**36.703**	39.573

Tax reconciliation :

	January 1 - December 31, 2013	January 1 - December 31, 2012
Profit before tax	**236.959**	344.876
Income tax rate	**20%**	20%
Expected tax expense	**47.392**	68.975
Tax effects of:		
-revenue that is exempt from taxation	**(10.708)**	(5.611)
-expenses that are not deductible in determining taxable profit	**1.897**	2.007
-consolidation eliminations without tax effect	**(7.775)**	(25.839)
-carry forward tax losses used	**-**	279
Other	**818**	100
Tax expense in the income statement	**31.624**	39.911

30. Earnings per share

	January 1 - December 31, 2013	January 1 - December 31, 2012
Average number of ordinary shares outstanding during the period (one thousand)	**300.000**	300.000
Net profit for the year attributable equity holders of the parent company	**205.253**	304.930
Basic earnings per thousand shares (TL)	**0,684177**	1,016433

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

31. Transactions with related parties

A company is defined as a related party of the Company, if one of the companies has control power on the other company or has a significant impact on financial and administrative decisions of the other company. The Company is controlled by Koç Holding, Koç family or entities owned by Koç family. In financial statements, shareholder companies, shareholders and financial investments and other Group companies' assets are shown as related parties.

				December 31, 2013
		Receivables		**Payables**
Balances with related parties	**Trade**	**Non-trade**	**Trade**	**Non-trade**
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	**8.347**	**-**	**75.991**	**-**
Demir Export A.Ş.	**4.762**	**-**	**-**	**-**
Ford Otomotiv Sanayi A.Ş.	**975**	**-**	**6**	**-**
Tat Gıda Sanayi A.Ş.	**448**	**-**	**-**	**-**
Arçelik A.Ş.	**447**	**-**	**22.223**	**-**
Opet Petrolcülük A.Ş.	**161**	**-**	**45.553**	**-**
Otokoç Otomotiv Tic. ve San. A.Ş.	**86**	**-**	**1.708**	**-**
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	**49**	**-**	**2.306**	**-**
Zer Merkezi Hizmetler ve Ticaret A.Ş. (**)	**-**	**-**	**7.453**	**-**
Ram Dış Ticaret A.Ş.	**-**	**-**	**5.827**	**-**
Other	**1.443**	**-**	**2.405**	**-**
Shareholders				
Koç Holding A.Ş.	**-**	**-**	**244**	**-**
Investments accounted under the equity method				
AES Entek Elektrik Üretimi A.Ş.	**1.642**	**-**	**459**	**-**
	18.360		**164.175**	

(*) 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 intermediary service companies and payables to Zer for commissions for intermediary activities.

As of December 31, 2013, the Company has dividend payables amounting to TL 434 thousand (December 31, 2012 – TL 310 thousand), which is reflected within other payables at the consolidated balance sheet.

				December 31, 2012
		Receivables		Payables
Balances with related parties	Trade	Non-trade	Trade	Non-trade
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	10.138	-	61.650	-
Zer Merkezi Hizmetler ve Ticaret A.Ş. (**)	1.648	-	6.372	-
Ford Otomotiv Sanayi A.Ş.	882	-	358	-
Arçelik A.Ş.	714	-	19.454	-
Otokar Otobüs Karoseri Sanayi A.Ş.	496	-	-	-
Opet Petrolcülük A.Ş.	167	-	19.430	-
Other	1.165	-	10.602	-
Shareholders				
Koç Holding A.Ş.	-	-	173	-
Investments accounted under the equity method				
AES Entek Elektrik Üretimi A.Ş	31	-	81	-
	15.241	-	118.120	-

(*) 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 intermediary service companies and payables to Zer for commissions for intermediary activities.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

31. Transactions with related parties (continued)

	January 1 - December 31, 2013			
Transactions with related parties	**Purchases (Goods)**	**Sales (Goods)**	**Purchases (Service)**	**Sales (Service)**
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	**756.878**	**272.006**	**1.987**	**1.851**
Opet Petrolcülük A.Ş.(**)	**138.859**	**1.445**	**1.497**	**-**
Arçelik A.Ş.	**83.098**	**4.908**	**156**	**-**
Zer Merkezi Hizmetler ve Ticaret A.Ş.	**16.606**	**9**	**19.745**	**-**
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	**432**	**87**	**3.968**	**-**
Tanı Pazarlama ve İletişim Hizmetleri A.Ş.	**11**	**6**	**2.241**	**-**
Otokoç Otomotiv Tic. ve San. A.Ş.	**9**	**2.393**	**3.846**	**-**
Ford Otomotiv Sanayi A.Ş.	**-**	**15.333**	**-**	**-**
Demir Export A.Ş.	**-**	**18.808**	**-**	**-**
Tat Gıda Sanayi A.Ş.	**-**	**12.183**	**-**	**-**
Setur Servis Turistik A.Ş.	**-**	**66**	**3.231**	**-**
Vehbi Koç Vakfı	**-**	**2**	**4.047**	**-**
Setair Hava Taşımacılığı ve Hizm. A.Ş.	**-**	**-**	**3.632**	**-**
Callus Bilgi ve İletişim Hizmetleri A.Ş. (***)	**-**	**-**	**654**	**-**
Other	**26.300**	**19.235**	**2.293**	**-**
Shareholders				
Koç Holding A.Ş.	**-**	**29**	**5.370**	**-**
Investments accounted under the equity method				
AES Entek Elektrik Üretimi A.Ş.	**-**	**16.106**	**2.414**	**-**
	1.022.193	**362.616**	**55.081**	**1.851**

(*) Group companies include Koç Group companies.

(**) Commission expense regarding LPG sold at Opet stations as of December 31, 2013 is TL 88.432 thousand (December 31, 2012 - TL 81.873 thousand). The commission expense mentioned above is evaluated as part of sales and accounted under income statement as sales discounts.

(***) The Company has been sold to a non-group company in July, 2013.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

31. Transactions with related parties (continued)

	January 1 - December 31, 2012			
Transactions with related parties	Purchases (Goods)	Sales (Goods)	Purchases (Service)	Sales (Service)
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	644.886	259.129	1.626	864
Opet Petrolcülük A.Ş.	105.592	835	2.972	-
Arçelik A.Ş.	82.539	4.853	57	-
Ram Dış Ticaret A.Ş.	22.260	-	221	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	16.491	357	23.611	17
Opet-Fuchs Madeni Yağlar	656	17	24	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	308	38	7.685	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	274	301	16	-
Otokoç Otomotiv Tic. ve San. A.Ş.	31	2.409	4.278	-
Ford Otomotiv Sanayi A.Ş.	-	15.026	315	-
Demir Export A.Ş.	-	7.016	-	-
Tofaş Türk Otomobil Fabrikası A.Ş.	-	5.909	3	-
Otokar Otobüs Karoseri Sanayi A.Ş.	-	3.375	71	-
Türk Traktör ve Ziraat Makinaları A.Ş.	-	2.723	-	-
Harranova Besi ve Tarım Ürünleri A.Ş.	-	2.172	-	-
RMK Marine Gemi Yapım San. ve Deniz Taş. İşl. A.Ş.	-	854	7	-
Altınyunus Çeşme Turistik Tesisler. A.Ş.	-	590	-	-
Yapı Kredi Bankası A.Ş.	-	366	-	-
Marmaris Altınyunus Turistik Tesisleri A.Ş.	-	335	9	-
Tat Gıda Sanayi A.Ş.	-	222	-	-
Vehbi Koç Vakfı Koç Üniversitesi	-	141	402	-
Yapı Kredi Sigorta A.Ş.	-	38	57	-
Düzey Tüketim Malları Pazarlama A.Ş.	-	36	565	-
Setur Servis Turistik A.Ş.	-	34	3.036	-
Callus Bilgi ve İletişim Hizmetleri A.Ş.	-	19	1.185	-
Ark İnşaat A.Ş.	-	18	-	-
Divan Turizm İşletmeleri	-	304	231	-
Setair Hava Taşımacılığı ve Hizm. A.Ş.	-	-	3.446	-
Other	129	131	2.705	-
Shareholders				
Koç Holding A.Ş.	-	22	4.554	-
Investments accounted under the equity method				
AES Entek Elektrik Üretimi A.Ş.	-	18	774	-
	873.166	307.288	57.850	881

(*) Group companies include Koç Group companies.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

31. Transactions with related parties (continued)

			January 1 - December 31, 2013	
Tangible asset and rent transactions with related parties	**Rent income**	**Rent expense**	**Tangible and intangible asset purchases**	**Sale of fixed assets**
Group companies (*)				
Opet Petrolcülük A.Ş.	**470**	**16**	**-**	**-**
Küsel Ltd.Şti.	**2**	**-**	**-**	**-**
Yapı Kredi Bankası A.Ş.	**-**	**152**	**-**	**-**
Otokoç Otomotiv Tic. ve San. A.Ş.	**-**	**974**	**394**	**110**
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	**-**	**-**	**1.698**	**-**
Otokar Otobüs Karoseri Sanayi A.Ş.	**-**	**-**	**415**	**-**
Türkiye Petrol Rafinerileri A.Ş.	**-**	**-**	**562**	**-**
Other	**-**	**-**	**276**	**-**
Shareholders				
Temel Ticaret ve Yatırım A.Ş.	**-**	**-**	**2**	**-**
Investments accounted under equity method				
Zinerji Enerji Sanayi ve Ticaret A.Ş.	**3**	**-**	**-**	**-**
	475	**1.142**	**3.347**	**110**

			January 1 - December 31, 2012	
Tangible asset and rent transactions with related parties	Rent income	Rent expense	Tangible and intangible asset purchases	Sale of fixed assets
Group companies (*)				
Opet Petrolcülük A.Ş.	421	18	-	36
Küsel Ltd. Şti.	2	-	-	-
Yapı Kredi Bankası A.Ş.	-	342	-	-
Otokoç Otomotiv Tic. ve San. A.Ş.	-	108	1.283	277
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	1.695	-
Otokar Otobüs Karoseri Sanayi A.Ş.	-	-	230	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	-	-	30	2.138
Koçtaş Yapı Marketleri Ticaret A.Ş.	-	-	3	-
Türkiye Petrol Rafinerileri A.Ş.	-	-	73	-
THY Opet Havacılık Yakıtları A.Ş.	-	-	-	14
Shareholders				
Temel Ticaret ve Yatırım A.Ş.	-	46	-	-
Investments accounted under equity method				
Zinerji Enerji Sanayi ve Ticaret A.Ş.	3	-	-	-
	426	514	3.314	2.465

(*) Group companies include Koç Group companies.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

31. Transactions with related parties (continued)

			January 1 - December 31, 2013	
Financial and other transactions with related parties	**Financial income**	**Financial expense**	**Other income**	**Other expense**
Group companies (*)				
Yapı Kredi Bankası A.Ş.	**12.200**	**2.359**	**-**	**-**
Opet Petrolcülük A.Ş.	**-**	**-**	**1.309**	**-**
Other	**-**	**-**	**110**	**-**
Investments accounted under equity method				
AES Entek Elektrik Üretimi A.Ş	**1.277**	**-**	**-**	**-**
	13.477	**2.359**	**1.419**	**-**

			January 1 - December 31, 2012	
Financial and other transactions with related parties	Financial income	Financial expense	Other income	Other expense
Group companies (*)				
Yapı Kredi Bankası A.Ş.	11.889	9.095	-	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	-	-	1.143	-
Opet Petrolcülük A.Ş.	-	-	23	-
THY-Opet Havacılık Yakıtları A.Ş	-	-	8	-
Investments accounted under equity method				
AES Entek Elektrik Üretimi A.Ş	2.794	-	-	-
	14.683	9.095	1.174	-

(*) Group companies include Koç Group companies.

Cash at banks	**December 31, 2013**	December 31, 2012
Group companies (*)		
Yapı Kredi Bankası A.Ş.	**129.151**	76.894

Credit card receivables	**December 31, 2013**	December 31, 2012
Group companies (*)		
Yapı Kredi Bankası A.Ş.	**24.274**	20.442

(*) Group companies include Koç Group companies.

<u>Benefits to Top Management:</u>

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

Benefits to top management personnel includes salaries, premiums, Social Security Institution employer's contribution, employer's contribution of unemployment insurance and the attendance fees of board of directors.

Total of the benefit provided to senior management of the Group as of December 31, 2013 is TL 31.940 thousand (2012: TL 21.879 thousand).

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

32. Nature and the level of risk derived from financial instruments

a) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or rearrange capital structure, the Company can return back capital to shareholders, issue new shares and sale assets in order to decrease debt requirement.

The Group controls its capital using the net financial debt/total equity ratio parallel to other companies in the sector. This ratio is the calculated as net debt divided by the equity amount. Net debt is calculated as total financial debt amount less cash and cash equivalents.

Risk management is managed by treasury department based on the policies approved by the board of directors. Group's treasury department defines and reviews the financial risk and uses tools to minimize the risk by collaborating with Group's operational units based on such risk policies. Board of directors prepares written procedures or general policies related with the risk management including currency risk, interest risk, using of derivative and non-derivative instruments and to evaluate cash surplus.

	December 31, 2013	December 31, 2012
Total short-term and long-term borrowings	**237.807**	5.810
Less: Cash and cash equivalents	**(173.054)**	(125.365)
Net debt	**64.753**	**-**
Total shareholder's equity	**2.243.576**	2.380.535
Net financial debt / equity ratio	**%3**	**-**

b) Financial risk factors

The risks of the Group resulted from operations, include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's risk management program generally seeks to minimize 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.

b.1) Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group manages this risk by the credit limits up to the guarantees received from customers. The usage of credit limits are monitored by the Group according to the customer's credibility is evaluated continuously.

Trade receivables consist of many customers that operate in various industries and locations. Credit risk of the receivables from counterparties are evaluated perpetually.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

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

Credit risk of financial instruments

	Receivables					
	Trade receivables		Other receivables			
December 31, 2013	**Related party**	**Third party**	**Related party**	**Third party**	**Deposits in banks**	**Credit card receivables**
Receivables maximum net credit risk as of balance sheet date (*)	**18.360**	**355.850**	**-**	**4.582**	**140.136**	**32.562**
- The part of maximum risk under guarantee with collateral etc.		**245.269**	**-**	**-**	**-**	**-**
A. Net book value of financial assets that are neither past due nor impaired	**18.360**	**311.623**	**-**	**4.582**	**140.136**	**32.562**
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	**-**	**-**	**-**	**-**	**-**	**-**
C. Carrying value of financial assets that are past due but not impaired	**-**	**44.227**	**-**	**-**	**-**	**-**
- The part under guarantee with collateral etc-	**-**	**23.696**	**-**	**-**	**-**	**-**
D. Net book value of impaired assets	**-**	**-**	**-**	**-**	**-**	**-**
- Past due (gross carrying amount)	**-**	**16.694**	**-**	**-**	**-**	**-**
- Impairment (-)	**-**	**(16.694)**	**-**	**-**	**-**	**-**
- The part of net value under guarantee with collateral etc.	**-**	**-**	**-**	**-**	**-**	**-**
E. Off-balance sheet items with credit risk	**-**	**-**	**-**	**-**	**-**	**-**

(*) Amounts show the maximum credit risk as of balance sheet date, without considering the guarantees or other items increasing credit security.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

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

Credit risk of financial instruments

	Receivables					
	Trade receivables		Other receivables			
December 31, 2012	Related party	Third party	Related party	Third party	Deposits in banks	Credit card receivables
Receivables maximum net credit risk as of balance sheet date (*)	15.241	293.455	32.750	3.990	99.545	25.588
- The part of maximum risk under guarantee with collateral etc.	-	195.283	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	15.241	256.213	32.750	3.990	99.545	25.588
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	37.242	-	-	-	-
- The part under guarantee with collateral etc-	-	24.625	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross carrying amount)	-	15.558	-	-	-	-
- Impairment (-)	-	(15.558)	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

(*) Amounts show the maximum credit risk as of balance sheet date, without considering the guarantees or other items increasing credit security.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

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

December 31, 2013	Trade receivables	Other receivables	Deposits in banks	Derivative instruments	Other	Total
Past due 1-30 days	**32.643**	**-**	**-**	**-**	**-**	**32.643**
Past due 1-3 months	**8.043**	**-**	**-**	**-**	**-**	**8.043**
Past due 3-12 months	**1.631**	**-**	**-**	**-**	**-**	**1.631**
Past due 1-5 years	**1.908**	**-**	**-**	**-**	**-**	**1.908**
Past due more than 5 years	**2**	**-**	**-**	**-**	**-**	**2**
Total past due	**44.227**	**-**	**-**	**-**	**-**	**44.227**
The part under guarantee with collateral	**23.696**	**-**	**-**	**-**	**-**	**23.696**

December 31, 2012	Trade receivables	Other receivables	Deposits in banks	Derivative instruments	Other	Total
Past due 1-30 days	25.836	-	-	-	-	25.836
Past due 1-3 months	7.545	-	-	-	-	7.545
Past due 3-12 months	3.208	-	-	-	-	3.208
Past due 1-5 years	653	-	-	-	-	653
Past due more than 5 years	-	-	-	-	-	-
Total past due	37.242	-	-	-	-	37.242
The part under guarantee with collateral	24.625	-	-	-	-	24.625

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

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

b.2) Liquidity risk management

Liquidity risk management responsibility mainly belongs to the Board of Directors. The Board of Directors has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profile of financial assets and liabilities.

The following table presents the maturity of Group's derivative and non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Derivative financial liabilities are presented according to undiscounted net cash inflow and cash outflow. The table has been drawn up based on the undiscounted net cash inflows/(outflows) on the derivative instrument that settle on a net basis and the undiscounted gross inflows and (outflows) on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date.

December 31, 2013 Contractual maturity analysis	Carrying value	Total cash outflow according to the contract (I+II+III+IV)	Less than 3 months (I)	3 – 12 months (II)	1-5 years (III)	More than five years (IV)
Non-derivative financial liabilities						
Short term and long term borrowings	**237.807**	**251.337**	**42.873**	**53.338**	**155.126**	**-**
Trade payables	**376.346**	**376.346**	**376.346**	**-**	**-**	**-**
Other payables	**74.192**	**74.192**	**578**	**-**	**-**	**73.614**
Other liabilities	**67.614**	**67.614**	**67.614**	**-**	**-**	**-**
Total liabilities	**755.959**	**769.489**	**487.411**	**53.338**	**155.126**	**73.614**

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

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

December 31, 2012 Contractual maturity analysis	Carrying value	Total cash outflow according to the contract (I+II+III+IV)	Less than 3 months (I)	3 – 12 months (II)	1-5 years (III)	More than five years (IV)
Non-derivative financial liabilities						
Short term and long term borrowings	5.810	5.810	5.810	-	-	-
Trade payables	268.580	268.580	268.580	-	-	-
Other payables	71.086	71.086	391	-	-	70.695
Other liabilities	97.185	97.185	97.185	-	-	-
Total liabilities	442.661	442.661	371.966	-	-	70.695

Derivative Instruments (*)	Book value	Cash flow according to contract	Less than 3 months	3 – 12 months	1 – 5 years	Above 5 years
Derivative cash inflows	-	25.723	23.120	2.603	-	-
Derivative cash outflows	-	(25.985)	(23.339)	(2.646)	-	-
Derivative instruments, net	(135)	(262)	(219)	(43)	-	-

(*) The amounts are cash flows according to contract, which have not been discounted.

b.3) Market risk management

The Group's activities are exposed to a variety of financial risks including foreign currency risk and interest rate risk as explained below. The Group uses derivative financial instruments to hedge certain risk exposures in order to manage foreign currency and interest rate risks. These instruments are:

1. Foreign exchange forward purchase agreements to manage exposure to liabilities denominated in foreign currencies.
2. Foreign exchange purchase options to manage exposure to liabilities denominated in foreign currencies.
3. Principal and interest swap agreements to manage exposure to liabilities denominated in foreign currencies.

At the Group level market risk exposures are measured by sensitivity analysis and stress scenarios.

There has been no change in the Group's exposure to market risks or the manner which it manages and measures the risk compared to the previous year.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

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

b.3.1) Foreign currency risk management

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 are as follows:

December 31, 2013		Total TL equivalent	TL equivalent of USD	TL equivalent of Euro	TL equivalent of other
1.	Trade receivables	26.346	22.706	3.640	-
2.a	Monetary financial assets	48.163	47.713	203	247
2.b	Non monetary financial assets	-	-	-	-
3.	Other	-	-	-	-
4.	**Current assets**	**74.509**	**70.419**	**3.843**	**247**
5.	Trade receivables	-	-	-	-
6.a	Monetary financial assets	-	-	-	-
6.b	Non monetary financial assets	-	-	-	-
7.	Other	-	-	-	-
8.	**Non current assets**	**-**	**-**	**-**	**-**
9.	**Total assets**	**74.509**	**70.419**	**3.843**	**247**
10.	Trade payables	(136.707)	(136.605)	(56)	(46)
11.	Financial liabilities	(85.372)	(85.372)	-	-
12.a	Other monetary financial liabilities	-	-	-	-
12.b	Other non monetary financial liabilities	-	-	-	-
13.	**Current liabilities**	**(222.079)**	**(221.977)**	**(56)**	**(46)**
14.	Trade payables	-	-	-	-
15.	Financial liabilities	-	-	-	-
16.a	Other monetary financial liabilities	-	-	-	-
16.b	Other non monetary financial liabilities	-	-	-	-
17.	**Non current liabilities**	**-**	**-**	**-**	**-**
18.	**Total liabilities**	**(222.079)**	**(221.977)**	**(56)**	**(46)**
19.	Net asset / liability position of off balance sheet asset and liabilities (19a-19b)	-	-	-	-
19.a	Total foreign currency amount of off-balance sheet derivative financial assets	-	-	-	-
19.b	Total foreign currency amount of off-balance sheet derivative financial liabilities	-	-	-	-
20.	**Net foreign currency asset / liability position**	**(147.570)**	**(151.558)**	**3.787**	**201**
21.	**Net foreign currency asset / liability position of monetary items (1+2a+5+6a+10+11+12a+14+15+16a)**	**(147.570)**	**(151.558)**	**3.787**	**201**
22.	Fair value of foreign currency hedged financial assets	-	-	-	-
23.	Hedged foreign currency assets	-	-	-	-
24.	Hedged foreign currency liabilities	-	-	-	-
25.	Export	611.454	593.180	18.274	-
26.	Import	2.197.655	2.188.288	8.569	798

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 December 31, 2013, the Group has LPG amounting to TL 151.698 thousand (December 31, 2012, TL 110.739 thousand).

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

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

December 31, 2012		Total TL equivalent	TL equivalent of USD	TL equivalent of Euro	TL equivalent of other
1.	Trade receivables	30.881	30.352	529	-
2.a	Monetary financial assets	23.209	21.266	1.780	163
2.b	Non monetary financial assets	-	-	-	-
3.	Other	-	-	-	-
4.	Current assets	54.090	51.618	2.309	163
5.	Trade receivables	-	-	-	-
6.a	Monetary financial assets	-	-	-	-
6.b	Non monetary financial assets	-	-	-	-
7.	Other	-	-	-	-
8.	Non current assets	-	-	-	-
9.	Total assets	54.090	51.618	2.309	163
10.	Trade payables	(100.719)	(99.669)	(1.007)	(43)
11.	Financial liabilities	-	-	-	-
12.a	Other monetary financial liabilities	-	-	-	-
12.b	Other non monetary financial liabilities	-	-	-	-
13.	Current liabilities	(100.719)	(99.669)	(1.007)	(43)
14.	Trade payables	-	-	-	-
15.	Financial liabilities	-	-	-	-
16.a	Other monetary financial liabilities	-	-	-	-
16.b	Other non monetary financial liabilities	-	-	-	-
17.	Non current liabilities	-	-	-	-
18.	Total liabilities	(100.719)	(99.669)	(1.007)	(43)
19.	Net asset / liability position of off balance sheet asset and liabilities (19a-19b)	25.723	25.723	-	-
19.a	Total foreign currency amount of off-balance sheet derivative financial assets	25.723	25.723	-	-
19.b	Total foreign currency amount of off-balance sheet derivative financial liabilities	-	-	-	-
20.	Net foreign currency asset / liability position	(20.906)	(22.328)	1.302	120
21.	Net foreign currency asset / liability position of monetary items (1+2a+5+6a+10+11+12a+14+15+16a)	(46.629)	(48.051)	1.302	120
22.	Fair value of foreign currency hedged financial assets	-	-	-	-
23.	Hedged foreign currency assets	-	-	-	-
24.	Hedged foreign currency liabilities	-	-	-	-
25.	Export	700.264	686.898	13.366	-
26.	Import	2.378.250	2.371.886	5.614	750

Currency forward agreements

As of December 31, 2013 there is not any currency forward agreement. Currency forward agreements which are valid as of December 31, 2012 is summarized at the table below.

					December 31, 2012
Maturity	Parity	Type of contract	Transaction	Total amount	Currency
1 to 3 months	1,784 - 1,7965	Forward	Sells TL, buys USD	12.970	USD
3 to 6 months	1,8013	Forward	Sells TL, buys USD	1.460	USD

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

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

Foreign currency sensitivity :

The Group is mainly exposed to foreign currency risk in USD and EURO.

The following table details the Group's sensitivity to a 10% increase and decrease in the USD and Euro. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis only includes outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower.

A positive number indicates an increase in profit / loss and other equity.

				December 31, 2013
		Income/Expense		**Equity**
	Foreign exchange appreciation	**Foreign exchange depreciation**	**Foreign exchange appreciation**	**Foreign exchange depreciation**
10% fluctuation of USD rate				
USD net asset/liability	**(15.156)**	**15.156**	**(15.156)**	**15.156**
Secured portion from USD risk	**-**	**-**	**-**	**-**
USD net effect	**(15.156)**	**15.156**	**(15.156)**	**15.156**
10% fluctuation of Euro rate				
Euro net asset/liability	**379**	**(379)**	**379**	**(379)**
Secured portion from Euro risk	**-**	**-**	**-**	**-**
Euro net effect	**379**	**(379)**	**379**	**(379)**
Total	**(14.777)**	**14.777**	**(14.777)**	**14.777**

				December 31, 2012
		Income/Expense		Equity
	Foreign exchange appreciation	Foreign exchange depreciation	Foreign exchange appreciation	Foreign exchange depreciation
10% fluctuation of USD rate				
USD net asset/liability	(2.233)	2.233	(2.233)	2.233
Secured portion from USD risk	-	-	-	-
USD net effect	(2.233)	2.233	(2.233)	2.233
10% fluctuation of Euro rate				
Euro net asset/liability	130	(130)	130	(130)
Secured portion from Euro risk	-	-	-	-
Euro net effect	130	(130)	130	(130)
Total	(2.103)	2.103	(2.103)	2.103

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

b.3.2) Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, by the use of interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite; ensuring optimal hedging strategies are applied, by either positioning the balance sheet or protecting interest expense through different interest rate cycles.

Details of Group's financial instruments that are sensitive to interest rates are as follows:

Interest rate position table

	December 31, 2013	December 31, 2012
Fixed interest instruments		
Time deposits	**123.949**	66.399
Variable interest instruments		
Financial liabilities	**-**	-

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

32. Financial instruments (explanations related to fair value and hedge accounting)

Financial instrument categories

December 31, 2013	**Financial assets at amortized cost**	**Loans and receivables**	**Financial assets available for sale**	**Financial assets at fair value through profit or loss**	**Financial liabilities at amortized cost**	**Fair value**	**Note**
Financial assets							
Cash and cash equivalents	**173.054**	**-**	**-**	**-**	**-**	**173.054**	**4**
Trade receivables	**-**	**374.210**	**-**	**-**	**-**	**374.210**	**8,31**
Other financial assets	**-**	**-**	**267.885**	**-**	**-**	**267.885**	**5**
Other receivables	**-**	**4.582**	**-**	**-**	**-**	**4.582**	**9**
Financial liabilities							
Short term and long term borrowings	**-**	**-**	**-**	**-**	**239.253**	**237.807**	**6**
Trade payables	**-**	**-**	**-**	**-**	**376.346**	**376.346**	**8,31**
Liabilities for employee benefits	**-**	**-**	**-**	**-**	**20.949**	**20.949**	**10**
Other payables	**-**	**-**	**-**	**-**	**74.192**	**74.192**	**9,31**
Other liabilities	**-**	**-**	**-**	**-**	**4.255**	**4.255**	**18**

December 31, 2012	Financial assets at amortized cost	Loans and receivables	Financial assets available for sale	Financial assets at fair value through profit or loss	Financial liabilities at amortized cost	Fair value	Note
Financial assets							
Cash and cash equivalents	125.365	-	-	-	-	125.365	4
Trade receivables	-	308.696	-	-	-	308.696	8,31
Other financial assets	-	-	317.258	-	-	317.258	5
Other receivables	-	36.740	-	-	-	36.740	9
Financial liabilities							
Short term and long term borrowings	-	-	-	-	5.810	5.810	6
Trade payables	-	-	-	-	268.580	268.580	8,31
Liabilities for employee benefits	-	-	-	-	13.724	13.724	10
Other payables	-	-	-	-	71.086	71.086	9,31
Other liabilities	-	-	-	-	1.377	1.377	18

(*) The Group believes the carrying value of its financial instruments are at fair value.

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

32. Financial instruments (explanations related to fair value and hedge accounting) (continued)

Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- First level: The fair value of financial assets and financial liabilities are determined with reference to actively traded market prices;
- Second level: Other than market prices specified at first level, the fair value of financial assets and financial liabilities are evaluated with reference to inputs that used to determine directly or indirectly observable price in market;
- Third level: The fair value of financial assets and financial liabilities are evaluated with reference to inputs that used to determine fair value but not relying on observable data in the market.

Level classifications of financial assets at fair value are as follows:

Financial assets / (liabilities)		**Level of fair value as of reporting date**		
	December 31, 2013	**1st Level**	**2nd Level**	**3rd Level**
Available-for-sale financial assets (*)	**267.322**	**34**	**267.288**	**-**

Financial assets / (liabilities)		Level of fair value as of reporting date		
	December 31, 2012	1st Level	2nd Level	3rd Level
Available-for-sale financial assets (*)	316.694	32	316.662	-
Forward transactions	(135)	-	(135)	-

(*) The Group has available for sale financial assets, which are not quoted in stock markets, and total amount of these financial assets is TL 564 thousand as of December 31, 2013 (December 31, 2012 – TL 564 thousand). The fair value of these financial assets cannot be measured reliably and stated at cost in the accompanying financial statements.

Information for reflecting financial assets and liabilities at fair value:

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

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

Following methods and assumptions were used to estimate the fair value of the financial instruments for which is practicable to estimate fair value:

32. Financial instruments (explanations related to fair value and hedge accounting) (continued)

Financial assets

The carrying amounts of foreign currency denominated monetary assets which are translated at year end exchange rates are considered to approximate their fair values.

The carrying values of cash and cash equivalents are estimated to be their fair values since they are short term.

The carrying values of trade receivables along with the related allowances for uncollectibility are estimated to be their fair values since they are short term.

Financial Liabilities

The fair values of short-term financial liabilities and other financial liabilities are estimated to be their fair values since they are short term.

As of December 31, 2013 the carrying value and the fair value of the long-term borrowings, including the short term portions, are equal to TL 152.402 thousand (Note 6), and TL 153.848 thousand respectively. Fair value is calculated by discounting the cash out flows regarding market interest rates.

33. Subsequent events

None.

34. Other significant issues affecting the financial statements or the other issues required for clarification of financial statements

None.