YAZICILAR HOLDİNG ANONİM ŞİRKETİ

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2013 TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

(ORIGINALLY ISSUED IN TURKISH)

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Yazıcılar Holding A.Ş.

Introduction

1. We have audited the accompanying consolidated balance sheet of Yazıcılar Holding A.Ş. and its subsidiaries, associates and joint ventures ("the Group") as at 31 December 2013 and the related consolidated statement of profit or loss, consolidated statement of 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.

Management's responsibility for the financial statements

2. The Group's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Turkish Accounting Standards ("TAS") 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 auditor's responsibility

3. Our responsibility is to express an opinion on these consolidated 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 audit is planned and performed to obtain reasonable assurance whether the financial statements are free from material misstatement.

   An audit involves performing procedures to obtain evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to error and/or fraud. In making those risk assessments, the Group'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 consolidated financial statements prepared by the Group 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 Group'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

4. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Yazıcılar Holding A.Ş. 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

5. 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 Company'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.

6. 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 efficiency and adequacy of the operations carried out by the management of the Company 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 Company formed the mentioned committee on 6 February 2013 and it is comprised of two members. The committee has met five 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.

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

Burak Özpoyraz, SMMM
Partner

Istanbul, 11 March 2014

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

Consolidated Financial Statements as of December 31, 2013

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CONSOLIDATED BALANCE SHEETS AS AT DECEMBER 31, 2013 AND 2012

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Notes	**Audited** **December 31, 2013**	Restated Audited December 31, 2012
ASSETS			
Current Assets		**1.720.417**	6.223.008
Cash and Cash Equivalents	6	**1.187.152**	861.027
Financial Instruments	7	**10.617**	486.374
Trade Receivables			
- Due From Related Parties	33.2	**15.876**	10.080
- Trade Receivables, Third Parties	9.1	**169.177**	168.728
Receivables From Financing Activities			
- Due From Related Parties	33.3	**-**	3.007
- Receivables From Financing Activities, Third Parties	10.1	**-**	4.437.710
Other Receivables			
- Other Receivables, Third Parties	11.1	**71.430**	35.181
Derivative Financial Instruments	35.1	**16.468**	8.054
Inventories	12	**157.984**	153.705
Prepaid Expenses	20.1	**27.965**	12.587
Current Income Tax Assets	31.1	**6.340**	6.760
Other Current Assets	21.1	**57.408**	39.795
Non-Current Assets		**4.692.781**	5.604.698
Financial Instruments	7	**6.459**	1.424.314
Receivables from Financing Activities			
- Due from Related Parties	33.3	**-**	6.514
- Receivables from Financing Activities, Third Parties	10.1	**-**	1.031.849
Other Receivables			
- Other Receivables, Third Parties	11.2	**3.398**	16.035
Derivative Financial Instruments	35.1	**9.943**	4.454
Investments Accounted Through Equity Method	13	**3.364.440**	2.134.766
Investment Property	14	**62.799**	-
Property, Plant and Equipment	15	**1.119.897**	746.422
Intangible Assets			
- Goodwill	16.2	**-**	35.344
- Other Intangible Assets	16.1	**15.884**	33.336
Prepaid Expenses	20.2	**28.653**	38.356
Deferred Tax Assets	31.2	**9.246**	53.220
Other Non-Current Assets	21.2	**72.062**	80.088
TOTAL ASSETS		**6.413.198**	11.827.706

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEETS AS AT DECEMBER 31, 2013 AND 2012

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Notes	**Audited December 31, 2013**	Restated Audited December 31, 2012
LIABILITIES			
Current Liabilities		**721.635**	7.495.033
Short-Term Borrowings	8	**337.678**	385.112
Current Portion of Long-Term Borrowings	8	**141.766**	123.658
Trade Payables			
- Due to Related Parties	33.4	**1.509**	97
- Trade Payables, Third Parties	9.2	**175.399**	108.195
Payables From Financing Activities			
- Due to Related Parties	33.5	**-**	6
- Payables From Financing Activities, Third Parties	10.2	**-**	6.588.393
Other Payables			
- Due to Related Parties	33.6	**4.582**	-
- Other Payables, Third Parties	11.3	**31.968**	42.593
Derivative Financial Instruments	35.1	**233**	21.033
Income Tax Payable	31.1	**11.662**	5.096
Short-Term Provisions			
- Short-term Provisions For The Employee Benefits	18.1	**10.318**	25.223
- Other Short-term Provisions	18.2	**1.994**	31.199
Other Current Liabilities	21.3	**4.526**	164.428
Non-Current Liabilities		**752.981**	857.073
Long-Term Borrowings	8	**699.938**	291.075
Payables From Financing Activities			
- Payables from Financing Activities, Third Parties	10.2	**-**	513.979
Other Payables			
- Other Payables, Third Parties	11.3	**412**	349
Derivative Financial Instruments	35.1	**-**	1.053
Long-Term Provisions			
- Long-term Provisions For The Employee Benefits	18.1	**19.551**	24.445
Deferred Tax Liability	31.2	**32.034**	26.045
Other Non-Current Liabilities	21.3	**1.046**	127
EQUITY		**4.938.582**	3.475.600
Equity Attributable to Equity Holders of the Parent		**4.110.416**	2.813.538
Paid-in Share Capital	22	**160.000**	160.000
Share Premium		**9.474**	9.474
Other Comprehensive Income/Expense Not To Be Classified to Profit or Loss			
- Revaluation and Remeasurement Loss		**(2.881)**	(3.532)
Other Comprehensive Income/Expense To Be Classified to Profit or Loss			
- Currency Translation Differences		**279.998**	44.252
- Hedge Gain / Loss		**(84)**	31
- Revaluation and Reclassification Gain	22	**(6.958)**	21.293
Other Reserves		**(65.213)**	(2.947)
Restricted Reserves Allocated from Net Profit	22	**25.303**	21.832
Retained Earnings	22	**2.519.664**	1.653.739
Net Income		**1.191.113**	909.396
Non-Controlling Interest		**828.166**	662.062
TOTAL LIABILITIES AND EQUITY		**6.413.198**	11.827.706

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED INCOME STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Notes	**Audited 01.01.2013 – 31.12.2013**	Restated Audited 01.01.2012 – 31.12.2012
CONTINUING OPERATIONS			
Revenue	23	**1.630.512**	1.423.523
Cost of Sales (-)	23	**(1.306.605)**	(1.127.190)
GROSS PROFIT		**323.907**	296.333
General Administrative Expenses (-)	24	**(159.321)**	(124.410)
Marketing Expenses (-)	24	**(103.504)**	(94.242)
Research and Development Expenses (-)	24	**(1.153)**	(1.153)
Other Operating Income	26.1	**11.889**	7.829
Other Operating Expenses (-)	26.2	**(22.659)**	(14.750)
Gain from Investments Accounted Through Equity Method	13	**841.236**	185.090
OPERATING INCOME		**890.395**	254.697
Income from Investing Activities	27.1	**549.491**	711.589
Expenses from Investing Activities (-)	27.2	**(4.570)**	(3.223)
OPERATING PROFIT BEFORE FINANCIAL EXPENSE		**1.435.316**	963.063
Financial Income	28	**165.211**	37.396
Financial Expenses (-)	29	**(148.878)**	(58.171)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS		**1.451.649**	942.288
Tax Expense from Continuing Operations		**(49.714)**	(13.633)
- Current Period Tax Expense (-)	31.3	**(46.852)**	(8.270)
- Deferred Tax Expense	31.3	**(2.862)**	(5.363)
NET INCOME FOR THE PERIOD FOR CONTINUING OPERATIONS		**1.401.935**	928.655
Net Income for the Period for Non-Current Assets Held for Sale (*)	30	**52.045**	97.820
NET INCOME		**1.453.980**	1.026.475
Attributable to:		**1.453.980**	1.026.475
- Non-Controlling Interests		**262.867**	117.079
- Equity Holders of the Parent		**1.191.113**	909.396
Earnings per share (full TRL)	32	**7,44**	5,68
Earnings per share from continuing operations (full TRL)	32	**7,25**	5,32
Earnings per share from assets held for sale (full TRL)	32	**0,19**	0,36

(*) Net Income for the Period for Non-Current Assets Held for Sale consists of income statements items of ABank and ALease, which were subsidiaries of the Company, until their share purchase processes were completed for 2013 while for year 2012, it consists of the income statements items for the year ended 2012 for both companies.

As the details are stated in Note 13.1 there is an one-off item amounting to TRL 769.410 in the “Gain/(Loss) from Investments Accounted Through Equity Method” account which amounts to TRL 841.236 as of December 31, 2013.

As the details are stated in Note 27.1 there is a one-off income amounting to TRL 706.621 in the “Income from Investing Activities” account which amounts to TRL 711.589 as of December 31, 2012.

If these one-off incomes have not been included to be in line with International Financial Reporting Standards, the Group would have TRL 684.570 net income for the year ended December 31, 2013 (31 December 2012: TRL 319.854), and net income attributable to equity holders of the parent would be TRL 471.328 (31 December 2012: TRL 249.054).

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED COMPREHENSIVE INCOME STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Audited 01.01.2013 – 31.12.2013	Restated Audited 01.01.2012 – 31.12.2012
NET INCOME FOR THE PERIOD	**1.453.980**	1.026.475
OTHER COMPREHENSIVE INCOME		
Items Not To Be Reclassified To Profit or Loss		
Remeasurement Gain / (Loss) from Defined Benefit Plans	**270**	(2.183)
Share of Other Comprehensive Income of Investments Accounted Through Equity Method Not To Be Classified To Profit or Loss	**(508)**	(1.388)
Tax Effect of Other Comprehensive Income Not To Be Classified To Profit or Loss		
- Deferred Tax Expense (-) / Income	**(54)**	437
Items To Be Reclassified To Profit or Loss		
Currency Translation Differences	**11.919**	(3.138)
Available for Sales Financial Investments Revaluation and Classification Loss/Gain	**(27.499)**	16.515
Share Of Other Comprehensive Income Of Investments Accounted Through Equity Method To Be Classified To Profit Or Loss	**270.228**	(29.002)
Tax Effect of Other Comprehensive Income To Be Classified To Profit or Loss		
- Deferred Tax Expense (-) / Income	**1.375**	(826)
OTHER COMPREHENSIVE INCOME	**255.731**	(19.585)
TOTAL COMPREHENSIVE INCOME	**1.709.711**	1.006.890
Attributable to:		
- Non-Controlling Interest	**271.536**	119.710
- Equity Holders of the Parent	**1.438.175**	887.180

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

(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

			Other Comprehensive Income or Expense Not To Be Reclassified To Profit or Loss	Other Comprehensive Income or Expense To Be Reclassified To Profit or Loss					Retained Earnings				
	Paid-in Capital	**Share Premium**	**Revaluation and Remeasurement Gain / Loss**	**Currency Translation Differences**	**Hedge Gain / Loss**	**Revaluation and Reclassification Gain / Loss**	**Other Reserves**	**Restricted Reserves Allocated from Net Income**	**Retained Earnings**	**Net Income**	**Attributable to Equity Holders of the Parent**	**Non-Controlling Interest**	**Equity**
Balances as of January 1, 2012 (restated)	160.000	9.474	(1.461)	112.551	-	1.298	(3.877)	18.381	1.554.186	141.520	1.992.072	544.473	2.536.545
Transfer of net income to the retained earnings	-	-	-	-	-	-	-	3.451	138.069	(141.520)	-	-	-
Capital increase of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	9.608	9.608
Dividend paid	-	-	-	-	-	-	-	-	(40.000)	-	(40.000)	(5.034)	(45.034)
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	1.484	-	1.484	(4.821)	(3.337)
Change in share of investments accounted through equity method	-	-	251	(24.381)	-	(1.497)	930	-	-	-	(24.697)	(1.702)	(26.399)
Transactions of investments accounted through equity method with its non-controlling interest	-	-	-	-	-	(2.501)	-	-	-	-	(2.501)	(172)	(2.673)
Total comprehensive income	-	-	(2.322)	(43.918)	31	23.993	-	-	-	909.396	887.180	119.710	1.006.890
Balances as of December 31, 2012	160.000	9.474	(3.532)	44.252	31	21.293	(2.947)	21.832	1.653.739	909.396	2.813.538	662.062	3.475.600
Balances as of January 1, 2013 (restated)	**160.000**	**9.474**	**(3.532)**	**44.252**	**31**	**21.293**	**(2.947)**	**21.832**	**1.653.739**	**909.396**	**2.813.538**	**662.062**	**3.475.600**
Transfer of net income to the retained earnings	-	-	-	-	-	-	-	3.471	905.925	(909.396)	-	-	-
Capital increase of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	5	5
Dividend paid	-	-	-	-	-	-	-	-	(40.000)	-	(40.000)	(5.498)	(45.498)
Transfers due to the change in scope of consolidation in associate (Note 13)	-	-	1.130	(48.586)	(31)	(922)	-	-	-	-	(48.409)	(1.380)	(49.789)
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	8	8
Change in non-controlling interests due to change in scope of consolidation of the associate	-	-	-	-	-	-	(62.266)	-	-	-	(62.266)	(4.293)	(66.559)
Gain on disposal of subsidiary controlling interest	-	-	-	-	-	9.378	-	-	-	-	9.378	(94.274)	(84.896)
Total comprehensive income	-	-	(479)	284.332	(84)	(36.707)	-	-	-	1.191.113	1.438.175	271.536	1.709.711
Balances as of December 31, 2013	**160.000**	**9.474**	**(2.881)**	**279.998**	**(84)**	**(6.958)**	**(65.213)**	**25.303**	**2.519.664**	**1.191.113**	**4.110.416**	**828.166**	**4.938.582**

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Notes	Audited 01.01.2013 – 31.12.2013	Restated Audited 01.01.2012 – 31.12.2012
Cash flow from operating activities			
Income before tax from continuing operations		**1.451.649**	942.288
Adjustments			
Gain from disposal of property, plant and equipment, and intangible assets		**(34.315)**	(8.565)
Depreciation and amortization	14, 15, 16	**69.714**	54.666
Provision for impairment in doubtful receivables		**718**	1.030
Warranty provision	18.2	**215**	154
Provision for vacation pay liability		**1.266**	893
Provision for employee termination benefits	18.1	**3.697**	7.790
Provision for bonus		**623**	376
Other provisions		**415**	394
Reversal of provision for inventories	12	**(285)**	(216)
Foreign exchange expense / (income)		**84.918**	(10.599)
Interest expenses		**42.012**	39.233
Gain on sale of financial investment		**(1.592)**	-
Gain from investments accounted through equity method	13	**(841.236)**	(185.090)
Gain on sale of share in associate	27.1	**-**	(706.621)
Gain on sale of subsidiary controlling interest	27.1	**(515.092)**	-
Change in derivative financial instruments – receivables	35.1	**(26.411)**	-
Change in derivative financial instruments – liabilities	35.1	**(831)**	1.064
Other non-cash income		**3.864**	2.568
Operating profit before changes in operating assets and liabilities		**239.329**	139.365
Change in trade and other receivables and due from related parties		**(6.963)**	(54.160)
Change in inventories		**(3.994)**	(8.873)
Change in other assets		**(82.523)**	(44.828)
Change in trade and other payables and due to related parties		**84.684**	18.507
Purchases of motor vehicles for operational fleet leasing business	15	**(274.850)**	(177.419)
Proceeds from resale of motor vehicles for operational fleet leasing business		**73.891**	47.336
Dividends received		**81.695**	90.010
Employee termination benefits paid	18.1	**(4.023)**	(4.427)
Taxes paid	31.1	**(35.100)**	(10.283)
Net cash provided by / (used in) operating activities		**72.146**	(4.772)
Net cash provided by operating activities of assets held for sale		**-**	128.170
Cash flows used in investing activities			
Change in financial investments (net)		**15.764**	11.948
Purchase of property, plant and equipment and intangible asset	15,16	**(309.790)**	(130.233)
Proceeds from sale of property, plant and equipment, and intangible asset		**41.525**	7.347
Purchase of financial assets and participation in capital increase		**(73.434)**	(8.863)
Gain on sale of subsidiary controlling interest		**867.383**	-
Net cash provided by / (used in) investing activities		**541.448**	(119.801)
Net cash used in investing activities of assets held for sale		**-**	(22.027)
Cash flows provided by financing activities			
Dividends paid to non-controlling interest shareholders		**(5.498)**	(5.034)
Capital increase of non-controlling shareholders		**5**	9.608
Dividend paid		**(40.000)**	(40.000)
Proceeds from borrowings from banks and other institutions		**4.501.633**	5.255.286
Repayments of borrowings and interest from banks and other institutions		**(4.051.983)**	(5.051.389)
Interest paid (-)		**(37.721)**	(39.871)
Net cash provided by financing activities		**366.436**	128.600
Net cash provided by financing activities of assets held for sale		**-**	51.877
Currency translation on cash and cash transaction		**25.786**	(4.066)
Net increase in cash and cash equivalents		**1.005.816**	157.981
Cash and cash equivalents classified to assets held for sale		**(449.626)**	(471.008)
Cash and cash equivalent at the beginning of the period	6	**630.962**	472.981
Total cash and cash equivalent at the end of the period		**1.187.152**	159.954
Interest income		**32.939**	19.022
Dividend income		**194**	327

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

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

Yazıcılar Holding A.Ş., a company incorporated in Istanbul, Turkey ("Yazıcılar" or the "Company") is a holding company of which majority shares are owned by three Yazıcı families. Three Yazıcı families consist of Mr. Kamil Yazıcı, his two deceased brothers, their wives and children. The Company controls its subsidiaries through Anadolu Endüstri Holding (AEH) in which it has 68,00% stake. Certain shares of the Company are listed on the Borsa Istanbul A.Ş. (BIST). The Company was incorporated in 1976.

The registered office address of the Company is Fatih Sultan Mehmet Mahallesi Balkan Caddesi No:58, Buyaka E Blok Ümraniye, İstanbul, Turkey.

The consolidated financial statements as of December 31, 2013 are authorized for issue by the Board of Directors on March 11, 2014, and are approved by the General Manager Sezai Tanrıverdi and the Finance Manager Yusuf Ovnamak on behalf of Board of Directors. General Assembly and other regulatory institutions have the right to change the statutory financial statements after the consolidated financial statements are issued.

Activities of the Group

The Company and its subsidiaries will be referred as the "Group" henceforth for the purposes of the consolidated financial statements.

The Group is organized and primarily managed in three principal segments: Automotive (including passenger vehicles, commercial vehicles, generators, spare and component parts, operational lease); retailing (stationery, chain restaurant management, information technologies and tourism) and other (trade, asset management, real estate, energy).

The average number of personnel of the Group for the year ended at December 31, 2013 is 6.447 (December 31, 2012: 7.308).

List of Shareholders

As of December 31, 2013 and December 31, 2012 the composition of shareholders and their respective percentage of shareholding rates can be summarized as follows:

	December 31, 2013		December 31, 2012	
	Amount	**%**	Amount	%
Yazıcı Families	**61.116**	**38,20**	62.203	38,88
Kamil Yazıcı Yönetim ve Danışma A.Ş.	**53.687**	**33,55**	53.600	33,50
Publicly traded (*)	**45.197**	**28,25**	44.197	27,62
Paid-in share capital	**160.000**	**100,00**	160.000	100,00

(*) As of December 31, 2013 TRL 5.073 of the publicly traded portion of shares, which is 3,17% of the paid-in share capital, is owned by Kamil Yazıcı Yönetim ve Danışma A.Ş. (December 31, 2012: TRL 4.944 of the publicly traded portion, which is 3,09% of the paid-in share capital).

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES (cont'd)

List of Subsidiaries

The subsidiaries included in consolidation and their shareholding percentages at December 31, 2013 and December 31, 2012 are as follows:

	Place of incorporation	Principal activities	Segment	Effective shareholding and voting rights %	
				December 31, 2013	December 31, 2012
Anadolu Endüstri Holding A.Ş. (AEH)	Turkey	Holding company	Other	**68,00**	68,00
Alternatifbank A.Ş. (ABank) (1)	Turkey	Banking services	Finance	**(*)**	61,11
Alternatif Yatırım A.Ş. (A Yatırım)	Turkey	Brokerage company	Finance	**(*)**	61,11
Alternatif Finansal Kiralama A.Ş. (ALease)	Turkey	Leasing company	Finance	**(*)**	65,16
Alternatif Yatırım Ortaklığı A.Ş. (AYO) (1)	Turkey	Investment company	Finance	**(*)**	40,03
Çelik Motor Ticaret A.Ş. (Çelik Motor)	Turkey	Import, distribution and marketing of Kia motor vehicles and operating lease	Automotive	**68,00**	68,00
Anadolu Motor Üretim ve Pazarlama A.Ş. (Anadolu Motor)	Turkey	Production of industrial engines, sale of tractors	Automotive	**67,93**	67,93
Anadolu Otomotiv Dış Ticaret ve Sanayi A.Ş.	Turkey	Inactive	Automotive	**67,38**	67,38
Anadolu Elektronik Aletler Pazarlama ve Ticaret A.Ş. (Anadolu Elektronik) (3)	Turkey	Inactive	Automotive	**34,65**	34,65
Adel Kalemcilik Ticaret ve Sanayi A.Ş. (Adel) (1) (2)	Turkey	Production of writing instruments under Adel, Johann Faber and Faber Castell brand names	Retailing	**38,68**	38,68
Ülkü Kırtasiye Ticaret ve Sanayi A.Ş. (Ülkü) (2)	Turkey	Distribution of the products of Adel, and other imported stationery products	Retailing	**49,76**	49,76
Efestur Turizm İşletmeleri A.Ş. (Efestur)	Turkey	Arrangement of travelling and organization facilities of the Group	Retailing	**67,92**	67,92
Anadolu Bilişim Hizmetleri A.Ş. (ABH) (6)	Turkey	IT, internet and e-commerce services	Retailing	**65,68**	65,15
Oyex Handels GmbH (Oyex) (7)	Germany	Trading of various materials used in the Group	Other	**68,00**	67,32
Anadolu Endüstri Holding Handels GmbH (AEH Handels) (7)	Germany	Provides necessary market research of products abroad	Other	**68,00**	67,32
Anadolu Restoran İşletmeleri Limited Şirketi (McDonald's)	Turkey	Restaurant chain management	Retailing	**68,00**	68,00
Hamburger Restoran İşletmeleri A.Ş. (Hamburger)	Turkey	Restaurant chain management	Retailing	**68,00**	68,00
Anadolu Varlık Yönetim A.Ş. (Anadolu Varlık)	Turkey	Asset management	Other	**67,99**	67,99
Anadolu Taşıt Ticaret A.Ş. (Anadolu Taşıt)	Turkey	Industrial and commercial operations in automotive sector	Other	**68,00**	68,00
Anadolu Araçlar Ticaret A.Ş. (Anadolu Araçlar)	Turkey	Import, distribution and marketing of Geely motor vehicles, sale of Cooper Tires, Starfire and Avon tires	Automotive	**67,97**	67,97
Anadolu Termik Santralleri A.Ş. (Anadolu Termik)	Turkey	Production of electricity (Investment in progress)	Other	**68,00**	68,00
AES Toptan Elektrik Tic. A.Ş. (AES Elektrik)	Turkey	Whole sale and retail sale of electricity and/or its capacity (Investment in progress)	Other	**68,00**	68,00
AEH Sigorta Acenteliği A.Ş. (AEH Sigorta)	Turkey	Insurance agency	Other	**68,00**	68,00
Anelsan Anadolu Elektronik Sanayi ve Ticaret A.Ş. (Anelsan) (4)	Turkey	In liquidation process	Retailing	**48,94**	48,94
Anadolu Kafkasya Enerji Yatırımları A.Ş. (Anadolu Kafkasya)	Turkey	Production and transmission of electricity, and establishment and operation of distribution facilities (Investment in progress)	Other	**68,00**	68,00
Antek Teknoloji Ürünleri Pazarlama ve Ticaret A.Ş. (Antek Teknoloji)	Turkey	Inactive	Automotive	**67,97**	67,97
Georgian Urban Energy LLC (GUE)	Georgia	Production and sale of electricity (Investment in progress)	Other	**61,20**	61,20
AEH Anadolu GayrimenkulYatırımları A.Ş.	Turkey	Purchase, sale and rental of real estate	Other	**67,99**	67,99
Alternatif Portföy Yönetimi A.Ş. (5)	Turkey	Portfolio management	Finance	**(*)**	-

(*) Sale transactions of ABank's 70,84% shares to Commercial Bank of Qatar (CBQ) have been completed as of July 18, 2013. With the share transfer, ABank and its subsidiaries A Yatırım, AYO and Alternatif Portföy Yönetimi A.Ş. have been recognized as associate and accounted through equity method in the consolidated financial statements by the Group. Based on the share sales agreement between AEH, the subsidiary of the Company, and ABank, an associate of the Company the procedures for the sale of 95,8% shares of ALease, which was a subsidiary of the Company has been completed as of November 8, 2013.

(1) Shares of ABank, Adel and AYO are quoted on BIST.

(2) AEH controls Adel and Ülkü through its shareholding of 56,89% and 68,78%, respectively. Moreover, Adel has 7,67% stake at Ülkü. As a result, Adel and Ülkü are controlled by Yazıcılar Holding A.Ş..

(3) Anadolu Motor and AEH have 50,00% and 1,00% shareholding at Anadolu Elektronik, respectively. As a result, Anadolu Elektronik is controlled by Yazıcılar Holding A.Ş..

(4) Ülkü controls Anelsan through its shareholding of 96,50%. As a result, Anelsan is controlled by Yazıcılar Holding A.Ş..

(5) AYatırım has acquired 100% interest in Alternatif Portföy Yönetimi A.Ş. that is incorporated in January 28, 2013 and registered in February 1, 2013.

(6) Only AEH, shareholder of ABH, has participated the capital increases of ABH dated May 3, 2013. As a result, Yazıcılar Holding A.Ş. has 65,68% stake at ABH.

(7) Anadolu Endüstri Holding A.S. und Co. KG is registered as limited company on December 20, 2013 and the name of the company is changed as Anadolu Endüstri Holding Handels GmbH. Only AEH out of the shareholders has participated the capital increase, as a result Yazıcılar has 68,00% stake at Anadolu Endüstri Holding Handels GmbH. As a result of the related capital increase, Yazıcılar has 68,00% stake at Oyex Handels GmbH, which is 100,00% owned by Anadolu Endüstri Holding Handels GmbH.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES (cont'd)

Associates

The associates included in consolidation by equity method and its shareholding percentages at December 31, 2013 and December 31, 2012 are as follows:

	Country	Main activities	Effective shareholding and voting rights %	
			December 31, 2013	December 31, 2012
Anadolu Efes Biracılık ve Malt San. A.Ş. (Anadolu Efes) (*)	Turkey	Production of beer	**27,66**	27,66
Alternatifbank A.Ş. (ABank) (*)	Turkey	Banking Services	**17,00**	(**)

(*) Shares of Anadolu Efes and ABank are currently quoted on the BIST.
(**)Sale transactions of ABank's 70,84% shares to Commercial Bank of Qatar (CBQ) have been completed as of July 18, 2013. With the share transfer, ABank has been recognized as an associate and accounted through equity method in the consolidated financial statements.

Joint Ventures

The investments in joint ventures accounted through equity method and their shareholding percentages at December 31, 2013 and December 31, 2012 are as follows:

	Country	Main activities	Effective shareholding and voting rights %	
			December 31, 2013	December 31, 2012
Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. (Anadolu Isuzu) (*)	Turkey	Manufacturing and selling of Isuzu brand vehicles	**37,56**	37,56
Ana Gıda İhtiyaç Maddeleri Sanayi ve Ticaret A.Ş. (Ana Gıda)	Turkey	Production and marketing of olive oil under Kırlangıç, Komili and Madra brands	**37,57**	37,57
Aslancık Elektrik Üretim A.Ş. (Aslancık)	Turkey	Electricity production (Investment in progress)	**22,67**	22,67
D Tes Elektrik Enerjisi Toptan Satış A.Ş. (D Tes) (**)	Turkey	Electricity wholesale (Investment in progress)	**-**	17,00
Faber-Castell Anadolu LLC	Russia	Trading of all kinds of stationery	**19,34**	19,34

(*) Shares of Anadolu Isuzu are currently quoted on the BIST.

(**) AEH, a subsidiary of the Company, has transferred 25% of the share of its joint venture D Tes to Doğan Enerji Yatırımları Sanayi ve Ticaret A.Ş. on July 24, 2013.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

Basis of Preparation of Financial Statements

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

The consolidated financial statements of the Group are prepared as per the CMB announcement of 7 June 2013 relating to financial statements presentations. Comparative figures are reclassified, where necessary, to conform to changes in the presentation of the current year's consolidated financial statements.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Basis of Preparation of Financial Statements (cont'd)

The Company and its Turkish subsidiaries, associates and joint ventures maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB. The foreign subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. These consolidated financial statements have been prepared under historical cost conventions except for financial assets and financial liabilities which are carried at fair value. The consolidated financial statements are based on the statutory records, which are maintained under historical cost conventions, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with TAS.

The preparation of the consolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 2.

Financial Reporting in Hyperinflationary Economies

In accordance with the CMB resolution issued on 17 March 2005, listed companies operating in Turkey are not subject to inflation accounting effective from 1 January 2005. Therefore, the consolidated financial statements of the Group have been prepared accordingly.

Convenience Translation into English of Consolidated Financial Statements

The accounting principles described in Note 2 to the consolidated financial statements ("CMB Financial Reporting Standards") differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting for the period between 1 January and 31 December 2005. Accordingly, the accompanying financial statements are not intended to present the financial position and the results of operations and cash flows of the Group in accordance with IFRS.

Functional and Presentation Currency

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'TRL', which is the group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'financial income or expense'. All other foreign exchange gains and losses are presented in the income statement within 'Other operating income/expense'.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
(iii) all resulting exchange differences are recognized in other comprehensive income.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Basis of Preparation of Financial Statements (cont'd)

Functional and local currencies of foreign subsidiaries are as follows:

		December 31, 2013	December 31, 2012
	Local Currency	**Functional Currency**	Functional Currency
AEH Handles	EUR	**EUR**	EUR
Oyex	EUR	**EUR**	EUR
GUE	Georgian Lari (GEL)	**GEL**	GEL

Comparative Information and Restatement of Prior Period Financial Statements

The consolidated financial statements of the Group include comparative financial information to enable the determination of the trends in the financial position and performance. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period consolidated financial statements and significant changes are explained. Comparative figures have been reclassified to conform to changes in presentation in the current period consolidated financial statements. The amount, the reason and the nature of the reclassifications are stated below:

Balance Sheet as of December 31, 2012	**Reported**	**Effect of IAS 19**	**Restated**
Investments accounted through equity method	2.135.356	(590)	2.134.766
Revaluation and remeasurement loss	-	(3.532)	(3.532)
Net income for the period	907.633	1.763	909.396
Retained earnings	1.652.518	1.221	1.653.739
Equity attributable to equity holders of the parent	2.814.086	(548)	2.813.538
Non-controlling interest	662.104	(42)	662.062
Equity	3.476.190	(590)	3.475.600

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Comparative Information and Restatement of Prior Period Financial Statements (cont'd)

Restatements in consolidated income statement as of December 31, 2012 are summarized below;

Income statement for the year ended on December 31, 2012	Reported	Effect of IAS 19	Classification to non-current assets held for sale	Classifications per Communiqué II-14.2	Restated
Revenue	1.423.474	-	-	49	1.423.523
Cost of Sales (-)	(1.128.494)	1.336	-	(32)	(1.127.190)
Revenue from Financing Activities	936.101	-	(936.101)	-	-
Cost of Financing Activities (-)	(439.300)	-	439.300	-	-
General Administrative Expenses (-)	(303.193)	1.603	177.180	-	(124.410)
Marketing Expenses (-)	(94.430)	188	-	-	(94.242)
Research and Development Expenses (-)	(1.177)	24	-	-	(1.153)
Other Operating Income	726.478	(206)	(11.324)	(707.119)	7.829
Other Operating Expenses (-)	(207.012)	-	191.757	505	(14.750)
Gain/(Loss) from Investments Accounted Through Equity Method	184.096	994	-	-	185.090
Income from Investing Activities	-	-	-	711.589	711.589
Expenses from Investing Activities (-)	-	-	-	(3.223)	(3.223)
Financial Income	76.328	-	(34.494)	(4.438)	37.396
Financial Expenses (-)	(113.959)	(1.021)	54.140	2.669	(58.171)
Current Period Tax Expense (-)	(44.157)	-	35.887	-	(8.270)
Deferred Tax Income/(Expense)	9.187	(385)	(14.165)	-	(5.363)
Net Income from continuing operations	1.023.942	2.533	(97.820)	-	928.655
Non-controlling Interest	116.309	770	-	-	117.079
Equity Holders of the Parent	907.633	1.763	-	-	909.396

In the scope of amendment to IAS 19 "Employee Benefits" which is effective for annual periods beginning on or after 1 January 2013, consolidated financial statements are restated retrospectively. Accordingly, actuarial gain/(loss) which is the effect of the changes in the actuarial estimations used in calculation of retirement pay liability is reclassified and reflected in the comprehensive income statement. Additionally, interest cost of the retirement pay liability is classified in financial expense.

The Group applied reclassification adjustments in prior and current financial tables prepared in line with CMB's Communiqué based on the meeting held on June 7, 2013, numbered 20/670.

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

- Prepaid expenses amounting TRL 12.587 including TRL 1.912 advances given which were disclosed under other current assets in previous periods are disclosed separately under current assets,

- Current income tax assets amounting TRL 6.760 which were disclosed under other current assets in previous periods are disclosed separately under current assets,

- Receivables due from related parties amounting TRL 3.007 which were disclosed under current assets in previous periods are disclosed in a separate line as due from related parties from financing activities,

- Prepaid expenses amounting TRL 12.578 including TRL 64 advances given which were disclosed under other non-current assets in previous periods are disclosed separately under non-current assets,

- Advances given amounting TRL 25.778 in other current assets account have been reclassified into prepaid expenses account under non-current assets.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Comparative Information and Restatement of Prior Period Financial Statements (cont'd)

- Receivables from related parties amounting TRL 6.514 which were disclosed under non-current assets in previous periods are disclosed in a separate line as due from related parties from financing activities,

- Due to related parties amounting to TRL 6 which were disclosed under current liabilities in trade payables in previous periods are disclosed in a separate line as due to related parties from financing activities under current liabilities,

The reclassifications made at the Group's consolidated income statement for the year ended at December 31, 2012 are as follows:

- Gain on sale of a share in associate amounting to TRL 706.621, gain on sale of property, plant and equipment amounting TRL 1.888, dividend income amounting to TRL 327 and rent income amounting to TRL 307 which were disclosed under other operating income in previous periods are reclassified to income from investing activities,

- Loss on sales of property, plant and equipment amounting TRL 1.799 which were disclosed under other operating expense in previous periods are reclassified to expenses from investing activities,

- Gain on sale of marketable securities and revaluation gain of marketable securities amounting TRL 2.446 which were disclosed under financial income in previous periods are reclassified to income from investing activities,

- Loss on sale of marketable securities amounting TRL 1.424 which were disclosed under financial expense in previous periods are reclassified to expense from investing activities,

- Foreign exchange gains from trading activities amounting TRL 1.992 which were disclosed under financial income in previous periods are reclassified to other operating income,

- Foreign exchange loss from trading activities amounting TRL 1.245 which were disclosed under financial expense in previous periods are reclassified to other operating expense,

- Rediscount expense from trading activities amounting to TRL 49 which were disclosed under revenue in previous periods are reclassified to other operating expense, rediscount income from trading activities amounting to TRL 32 which were disclosed under cost of sales in previous periods are reclassified to other operating income.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Changes in Accounting Policies

New standards and interpretations

The accounting policies adopted in the preparation of the consolidated financial statements as at December 31, 2013 are consistent with those followed in the preparation of the consolidated financial statements for the year ended 31 December 2012, except for the adoption of new standards and IFRIC interpretations summarized below.

The new standards, amendments and interpretations which are effective for the year end January 1, 2013:

- Amendment to IAS 1, 'Financial statement presentation', regarding other comprehensive income; is effective for annual periods beginning on or after 1 July 2012. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

- Amendment to IAS 19, 'Employee benefits'; is effective for annual periods beginning on or after 1 January 2013. These amendments eliminate the corridor approach and calculate finance costs on a net funding basis.

- Amendment to IFRS 1, 'First time adoption', on government loans; ; is effective for annual periods beginning on or after 1 January 2013. This amendment addresses how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to IFRS. It also adds an exception to the retrospective application of IFRS, which provides the same relief to first-time adopters granted to existing preparers of IFRS financial statements when the requirement was incorporated into IAS 20 in 2008.

- Amendment to IFRS 7, 'Financial instruments: Disclosures', on asset and liability offsetting; is effective for annual periods beginning on or after 1 January 2013. This amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP.

- Amendment to IFRSs 10, 11 and 12 on transition guidance; is effective for annual periods beginning on or after 1 January 2013. These amendments provide additional transition relief to IFRSs 10, 11 and 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied.

- Annual improvements 2011; is effective for annual periods beginning on or after 1 January 2013.These annual improvements, address six issues in the 2009-2011 reporting cycle. It includes changes to:

    - IFRS 1, 'First time adoption',
    - IAS 1, 'Financial statement presentation',
    - IAS 16, 'Property plant and equipment',
    - IAS 32, 'Financial instruments; Presentation'
    - IAS 34, 'Interim financial reporting'.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

The new standards, amendments and interpretations which are effective for the year end January 1, 2013: (cont'd)

- IFRS 10, 'Consolidated financial statements'; is effective for annual periods beginning on or after 1 January 2013. The objective of IFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entity (an entity that controls one or more other entities) to present consolidated financial statements. It defines the principle of control, and establishes controls as the basis for consolidation. It sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. It also sets out the accounting requirements for the preparation of consolidated financial statements.

- IFRS 11, 'Joint arrangements'; ; is effective for annual periods beginning on or after 1 January 2013. IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and therefore accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and therefore equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.

- IFRS 12, 'Disclosures of interests in other entities'; is effective for annual periods beginning on or after 1 January 2013. IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

- IFRS 13, 'Fair value measurement' ; is effective for annual periods beginning on or after 1 January 2013. IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP.

- IAS 27 (revised 2011), 'Separate financial statements'; is effective for annual periods beginning on or after 1 January 2013. IAS 27 (revised 2011) includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10.

- IAS 28 (revised 2011), 'Associates and joint ventures'; is effective for annual periods beginning on or after 1 January 2013. IAS 28 (revised 2011) includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.

- IFRIC 20, 'Stripping costs in the production phase of a surface mine' is effective for annual periods beginning on or after 1 January 2013. This interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. The interpretation may require mining entities reporting under IFRS to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable component of an ore body.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Revised and amended standards and interpretations that are effective after January 1, 2014 but not early adopted by the Group:

- Amendment to IAS 32, 'Financial instruments: Presentation', on asset and liability offsetting is effective for annual periods beginning on or after 1 January 2014.These amendments are to the application guidance in IAS 32, 'Financial instruments: Presentation', and clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.

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

- Amendment to IAS 36, 'Impairment of assets' on recoverable amount disclosures is effective for annual periods beginning on or after 1 January 2014. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

- Amendment to IAS 39 'Financial Instruments: Recognition and Measurement' - 'Novation of derivatives is effective for annual periods beginning on or after 1 January 2014. This amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria.

- IFRIC 21, 'Levies' is effective for annual periods beginning on or after 1 January 2014. This is an interpretation of IAS 37, 'Provisions, contingent liabilities and contingent assets'. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

- IFRS 9 'Financial instruments' – classification and measurement; is effective for annual periods beginning on or after 1 January 2015. This standard on classification and measurement of financial assets and financial liabilities will replace IAS 39, 'Financial instruments: Recognition and measurement'. IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the IAS 39 requirements. These include amortized-cost accounting for most financial liabilities, with bifurcation of embedded derivatives.

  The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. This change will mainly affect financial institutions.

- Amendments to IFRS 9, 'Financial instruments', regarding general hedge. These amendments to IFRS 9, 'Financial instruments', bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Revised and amended standards and interpretations that are effective after January 1, 2014 but not early adopted by the Group: (cont'd)

- Amendment to IAS 19 regarding defined benefit plans; ; is effective for annual periods beginning on or after 1 July 2014. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

- Annual improvements 2012; is effective for annual periods beginning on or after 1 July 2014. These amendments include changes from the 2010-12 cycle of the annual improvements project, that affect 7 standards:

    - IFRS 2, 'Share-based payment'
    - IFRS 3, 'Business Combinations'
    - IFRS 8, 'Operating segments'
    - IFRS 13, 'Fair value measurement'
    - IAS 16, 'Property, plant and equipment' and IAS 38,'Intangible assets'
    - Consequential amendments to IFRS 9, 'Financial instruments', IAS 37, 'Provisions, contingent liabilities and contingent assets', and
    - IAS 39, Financial instruments – Recognition and measurement'.

- Annual improvements 2013; is effective for annual periods beginning on or after 1 July 2014. The amendments include changes from the 2011-2-13 cycle of the annual improvements project that affect 4 standards:

    - IFRS 1, 'First time adoption'
    - IFRS 3, 'Business combinations'
    - IFRS 13, 'Fair value measurement' and
    - IAS 40, 'Investment property'.

The Group will assess the impact of the changes on the operations and will apply as of the effective date.

Basis of Consolidation

The principal accounting policies adopted in preparing the consolidated financial statements of the Group are as follows:

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The consolidated financial statements of the Group include Yazıcılar Holding A.Ş. and subsidiaries under its control. This control is normally evidenced when the Group owns, either directly or indirectly, more than 50% of the voting rights of a company's share capital and is able to govern the financial and operating policies of an enterprise so as to benefit from its activities.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Subsidiaries (cont'd)

Non-controlling interests in the net assets of the subsidiaries included in consolidation, appears as a separate item in Group's equity. Non-controlling interest consists of non-controlling amount that already exists as of the first acquisition date and the amounts take place during the changes in the parent company's equity related to non-controlling interest after the first acquisition date. Losses exceeding the shares belonging to non-controlling interest are distributed to the shares of the Group, unless there is a mandatory obligation to compensate the recognized losses and an opportunity to make additional investments to cover the stated losses of the non-controlling interest. The equity and net income attributable to non-controlling shareholders' interests are shown separately in the consolidated balance sheet and income statement, respectively.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

Intercompany balances and transactions, including intercompany profits and unrealized profits and losses are eliminated. Consolidated financial statements are prepared using uniform accounting policies for transactions and other events in similar circumstances. The balances given from subsidiaries are restated when necessary to conform to the Group's accounting policies.

Investments in Associates

The Group's investments in associates are accounted under the equity method of accounting. Investments in associates are undertakings over which the Group generally has between 20% and 50% of the voting rights and the Group has significant influence and which are not subsidiaries or joint ventures of the Group. The investments in associates are carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment in value. The income statement reflects the Group's share of the results of operations of the associates. The group's investment in associates includes goodwill identified on acquisition.

The Group's investments in associates which the Group has direct interest or indirect interest by its subsidiaries are accounted under the equity method of accounting considering direct or indirect shareholding rate in total. Non-controlling interest is calculated regarding the effective shareholding rate through its subsidiaries.

The investments valued accounted through equity method are carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment in value. The consolidated income statement reflects the Group's share of the results of operations of the associates. The effect of the amounts that has not reflected to the profit or loss of the associate on the equity of the associate may require an adjustment on the book value of the associate. Group's share in these changes is directly being recorded in Group's equity.

Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Joint Ventures

Joint ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by the Group and its subsidiaries together with one or more other parties. The Group's interest in joint ventures is accounted for under the equity method of accounting.

Offsetting

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

Use of Accounting Estimates and Assumptions

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of balance sheet date. Actual results may vary from the current estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

The source of the risk carrying estimates, assumptions and calculation indefinitions which may cause to significant adjustments at assets and liabilities at following periods as of balance sheet date are; actuarial assumptions used for employee termination benefits, impairment of assets and useful lives of tangibles and intangibles. These estimates and assumptions are explained at related disclosure in detail.

Impairment of goodwill

According to the determined accounting policies, the Group performs impairment test for goodwill annually or when circumstances indicate that the carrying value may be impaired. Impairment test for goodwill is generated by comparing its carrying amount with the recoverable amount. The recoverable amount is determined taking the higher of value in use or net sales price. As explained in Note 27.1 the sale transaction of 70,84% shares of ABank, which was a subsidiary of the Company, to CBQ has been completed as of July 18, 2013 and the goodwill stated in the Group's consolidated financial statements amounting to TRL 35.344 is associated with the gain on sale of share. As of December 31, 2013, the Group has no goodwill as of December 31, 2013.

Provision for doubtful receivables

Allowance for doubtful receivables reflect the future loss that the Group anticipates to incur from the trade receivables as of the balance sheet date which is subject to collection risk considering the current economical conditions. During the impairment test for the receivables, the debtors, other than the key accounts and related parties, are assessed with their prior year performances, their credit risk in the current market, their performance after the balance sheet date up to the issuing date of the financial statements; and also the renegotiation conditions with these debtors are considered. The provision for doubtful receivables is followed in the Note 9.1.

Provision for inventories

During the assessment of the provision for inventory the following are considered; analyzing the inventories physically and historically, considering the employment and usefulness of the inventories respecting to the technical personnel view. Sales prices listed, average discount rates given for sale and expected cost incurred to sell are used to determine the net realizable value of the inventories. As a result of this, the inventories with the net realizable values below the costs are written down in the Note 12.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Employee termination benefit

Discount rates are determined using actuarial valuations which involve making assumptions about future salary increases and employee turnover rates. The details related with the defined benefit plans are stated in Note 18.1.

Warranty provision

Group has determined the warranty provision by considering the realized warranty expense per each product in the previous years for each product model/type and the warranty period left per each product. Group also takes into consideration the warranty expenses that can be recourse to the manufacturer along with expenses of previous years and contracts and does not make provisions for these amounts.

Provisions for Loans, Non-Performing Receivables and Lease Receivable

The Group reviews its individually significant loans and advances in each balance sheet date to assess whether an impairment loss should be recorded in the income statement. In particular, judgement of management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, the Group makes judgements about the borrower's financial situation and the net realizable value of the collateral. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance. As the details are stated in Note 27.1, as a result of the related sale of shares, there are no related provisions in the Group's consolidated balance sheet as of December 31, 2013.

Summary of Significant Accounting Policies

2.1 Revenue Recognition

Non-Banking

Revenue is recognized on accrual basis based on the assumptions that delivery is realized, the income can be reliably determined and the inflow of the economic benefits related with the transaction to the Group is probable. Net sales are calculated after deducting sales returns and sales discounts.

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

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

Service income is recorded as revenue according to its percentage of completion when it is calculated reliably. In the case that it cannot be calculated reliably, the revenue is recognized only to the extent of the associated expenses that are recoverable.

Interest income is recognized using the effective interest method. When a loan and receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognized using the original effective interest rate.

Dividend income is recognized when the right to receive payment is established.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Summary of Significant Accounting Policies (cont'd)

Banking

Interest income and expense are recognized in the income statement in fair value for all interest bearing instruments on an accrual basis using the effective interest method (a method of calculating the amortized cost of a financial asset or a financial liability to reach net present value).

According to the related regulations, the interest accrual and discount of non-performing loans and other receivables are not considered and included in interest income till they are collected.

Fees and commissions are generally recognized on an accrual basis when the service has been provided. Commission and fees arising from cash and non-cash loans are recognized as revenue in the related period by discounting using the effective interest method.

Fees and commission expense related with financial borrowings and paid to third parties are recognized as prepaid expenses in the balance sheet. Commission and fees are recognized as expense in the related period by discounting using the effective interest method.

2.2 Inventories

Inventories are valued at the lower of cost and net realizable value after provision for obsolete and slow moving. Overheads that have been incurred in bringing the inventories to their present location and condition are accounted as stated below:

Costs are accounted for weighted average method for other companies. Finished goods and semi-finished goods include cost of direct materials, labor and a proportion of manufacturing overheads based on normal operating capacity. It excludes borrowing cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs incurred in order to realize sale.

2.3 Property, Plant and Equipment

Property, plant and equipment are carried with their cost after subtracting accumulated depreciation and impairment. Property, plant and equipment are depreciated principally on a straight-line basis. Motor vehicles in operational fleet leasing business are depreciated over the residual value which is determined per vehicle. (December 31, 2012: 70%). Land is not depreciated as it is deemed to have an indefinite life. The estimated useful lives of assets are as follows:

Land improvements	5-50 years
Buildings	20-50 years
Machinery and equipment	5-10 years
Motor vehicles	3-5 years
Furniture and fixtures	5 years
Leasehold improvements	Lower of lease period or useful life

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.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Summary of Significant Accounting Policies (cont'd)

2.3 Property, Plant and Equipment (cont'd)

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the income statement.

The profit or loss as a result of selling property, plant and equipment is calculated as the difference between the carrying amount and proceeds and included in income statement in the period the asset is disposed.

2.4 Investment Properties

Investment properties are stated at cost less accumulated depreciation and any impairment in value. Investment properties are depreciated on a straight-line basis over the estimated useful live which is 50 years.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the income statement in the period of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development to sell.

2.5 Intangible Assets

(i) Goodwill and impairment of goodwill

Goodwill represents the excess of the cost of the acquisition over the fair value of identifiable net assets of a subsidiary, associate or joint venture at the date of acquisition. The carrying values of goodwill is annually reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. In accordance with IFRS 3, goodwill is tested for impairment at least annually.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Summary of Significant Accounting Policies (cont'd)

2.5 Intangible Assets (cont'd)

(ii) Other intangible assets

Intangible assets acquired separately from a business are capitalized at cost. Intangible assets, excluding development costs, created within the business are not capitalized and expenditure is charged against profits in the period in which it is incurred.

Useful lives of intangible assets are determined as either finite or infinite.

Intangible assets are amortized on a straight line basis over the estimated useful lives which are between 3 and 20 years. The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2.6 Impairment of Assets

All assets other than goodwill are tested whether there is an indication of impairment of asset or not for each periods of the balance sheet. If such an indication exists, recoverable amount of that asset is estimated. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Impairment of goodwill is not reversed.

2.7 Borrowing Costs

General and specific 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. All other borrowing costs shall be recognized as an expense when incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Summary of Significant Accounting Policies (cont'd)

2.8 Financial Instruments

The Group recognizes a financial asset or financial liability in its consolidated financial statements when and only when it becomes a party to the contractual provisions of the instrument. The Group derecognizes a financial asset or a portion of financial asset when and only when it loses control of the contractual rights that comprise the financial asset or a portion financial asset. The Group derecognizes a financial liability when and only when a liability is extinguished that is when the obligation specified in the contract is discharged, cancelled and expired.

Cash and Cash Equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise cash at bank and in hand, deposits at the Central Bank of Turkey, which are easily convertible into cash and do not carry any material value changes, have high liquidity, with an original maturity of three months or less. The amounts paid under the reverse repurchase agreements are included in cash and cash equivalents.

Repurchase (repo) and Resale (reverse repo) Transactions

The Group enters into sales of securities under agreements to repurchase such securities at a fixed price at a fixed future date. Such securities, which have been sold subject to a repurchase agreement ('repos'), are recognized in the balance sheet and are measured in accordance with the accounting policy of the security portfolio which they are part of. The difference between sale and repurchase price is treated as interest expense and accrued over the life of the repurchase agreement using the effective interest method. Securities sold subject to repurchase agreements ('repos') are reclassified in the financial statements as loaned securities when the transferee has the right by contract or custom to sell or re-pledge the collateral. The counterparty liability for amounts received under these agreements is included in "Other Money Market Deposits".

Securities purchased with a corresponding commitment to resell at a fixed price at a specified future date ('reverse repos') are not recognized in the balance sheet, as the Group does not obtain control over the assets. Amounts paid under these agreements are included in other money market placements. The difference between purchase and resale price is treated as interest income and accrued over the life of the reverse repurchase agreement using the effective interest method.

Accounting as of Transaction and Delivery Dates

All acquisitions and sales of financial assets are recorded in the transaction date, as of the date Group commits to perform the transaction. Regular acquisitions or sales are generally transactions which the delivery dates of assets are determined due to the legislations or arrangements in the market.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Summary of Significant Accounting Policies (cont'd)

Financial investments

All investments are initially recognized at cost, being the fair value of the consideration given and including acquisition charges associated with the investment. All regular way purchases and sales of financial assets are recognized on the date the asset delivered to or by the Group. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace. Changes in fair value of assets to be received during the period between the trade date and the settlement date are accounted for in the same way as the acquired assets i.e. for assets carried at cost or amortized cost, change in value is not recognized; for assets classified as trading or as available for sale, the change in value is recognized to profit and loss, and in equity respectively. The Group maintains three separate financial assets portfolio, as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are securities, which were either acquired for generating a profit from short-term fluctuations in price or dealer's margin, or are securities included in a portfolio in which a pattern of short-term profit exists. After initial recognition, financial assets at fair value through profit or loss are remeasured at fair value based on quoted bid prices. All related realized and unrealized gains or losses are recognized in trading income/(loss).

Held-to-Maturity Financial Assets

Financial assets with fixed or determinable payments and fixed maturity where management has both the intent and the ability to hold to maturity are classified as held-to-maturity. Management determines the appropriate classification of its investments at the time of the purchase.

After initial recognition, held-to-maturity financial assets are carried at amortized cost using the effective yield method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity. For investments carried at amortized cost, gains and losses are recognized in income when the investments are derecognized or impaired, as well as through the amortization process.

Interest earned whilst holding held-to-maturity financial assets is included in interest income.

Available-for-Sale Financial Assets

After initial recognition, available-for-sale financial assets are remeasured at fair value. Gains or losses on remeasurement to fair value are recognized as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in income.

Interest earned on available-for-sale financial assets is included in interest income. Dividends received are included in dividend income.

For financial assets at fair value through profit or loss or available-for-sale financial assets investments that are actively traded in organized financial markets, fair value is determined by reference to BIST quoted market bid prices at the close of business on the balance sheet date. For financial assets where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment. Equity securities for which fair values cannot be measured reliably are recognized at cost less impairment.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Summary of Significant Accounting Policies (cont'd)

Trade Receivables and Payables

Trade receivables from the supply of products and services to a buyer, are carried at net of deferred finance income. Trade receivables net of deferred finance income, which are initially recorded at original invoice amounts, are measured at amortized cost of the amounts that will be collected in the subsequent periods with the effective interest rate. Short term trade receivables which do not have a determined interest rate, when the interest accrual effect is immaterial, are measured at the original invoice values.

If the collection period for the trade receivables and trade payables is less than or equal to 1 year (or if it is longer as long as it is in the Company's normal operational cycle), these receivables and payables are classified as short-term receivables or payables. Otherwise, these are classified as long-term receivables or payables.

The Group provides allowance for doubtful receivables when there is an indication that the collections are not probable. Related provision amount is the difference between the book value of the receivable and the probable collection amount. The probable collection amount is the cash flows, including collections from guarantees, which are discounted at the effective interest rate of the original receivable.

Subsequent to provide allowance for doubtful receivable, when all or a portion of the doubtful receivable is collected, the collection is deducted from the allowance and recorded as other income.

Banking Loans and Advances to Customers

Loans and receivables are non-derivative financial assets whose payments are fixed and can be determined, are unquoted in an active market and held for purchase or sale, financial assets at the fair value through profit or loss or financial assets held for resale. Counterparty expenses such as legal fees and deductions are considered as the part of transaction cost.

Loans and advances are reflected in financial statements when amount in cash is given to the customers.

Funds Borrowed, Banking Customer Deposits and Borrowings

All deposits and borrowings are initially recognized at the fair value of consideration received less directly attributable transaction costs. After initial recognition interest-bearing deposits and borrowings are subsequently measured at amortized cost using the effective interest method. Gains or losses are recognized in the income statement when the liabilities are derecognized as well as through the amortization process.

Derivative Financial Instruments

The Group enters into transactions with derivative instruments including forwards, swaps and options in the foreign exchange and capital markets. These derivative transactions are considered as effective economic hedges under the Group's risk management policies; however since they do not qualify for hedge accounting under the specific provisions of IAS 39, they are treated as derivatives held for trading. Derivative financial instruments are initially recognized in the balance sheet at cost and subsequently are remeasured at their fair values.

Fair values are obtained from quoted market prices, to the extent publicly available, discounted cash flows and options pricing models as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

For derivatives that do not qualify for special hedge accounting, any gains or losses arising from changes in fair value are taken directly to net profit or loss for the period.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Summary of Significant Accounting Policies (cont'd)

2.9 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 TRL, which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the Company and its Turkish subsidiaries, transactions in currencies other than TRL (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. The foreign currency income or expenses incurred from the translation of foreign currency denominated transaction or restatement of monetary items is reflected within the statement of income in the related period.

Exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings are recognized in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in TRL 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. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.10 Earnings per Share

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

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

2.11 Subsequent Events

Subsequent events cover all events between the balance sheet date and authorization date of balance sheet for issue even if subsequent event has occurred after any announcement about the profit or any other selected financial information made public.

The Group; reflects the effect of such post-period-end adjusting events to the consolidated financial statements.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Summary of Significant Accounting Policies (cont'd)

2.12 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are assessed continuously to determine whether the possibility of an outflow of resources embodying economic benefits is probable. When the possibility of an outflow of resources embodying economic benefits is probable for the accounts classified as contingent liabilities, provision is provided in the financial statements for related contingent liabilities except for the situations there is not a reliable estimation.

The Group discloses the contingent liabilities that are probable but there is not a reliable estimation for the amount of resources embodying economic benefits.

Assets that result from previous events that cannot be controlled fully by the Group and depend on the realization of one or more uncertain events, is considered as a contingent asset. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.13 Changes in Accounting Policies, Accounting Estimates and Errors

Changes in accounting policies or accounting errors are applied retrospectively and the consolidated financial statements of the comparative period are restated. 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.

2.14 Leases

The Group as a Lessee

Finance Lease

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Capitalized leased assets are depreciated over the estimated useful life of the asset. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating Lease

Leases where the lesser retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. These include rent agreements of premises, which are cancellable subject to a period of notice. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Summary of Significant Accounting Policies (cont'd)

2.14 Leases (cont'd)

The Group as a Lessor

Finance Lease

The Group presents leased assets as a receivable equal to the net investment in the lease. Finance income is based on a pattern reflecting a constant periodic rate of return on the net investment outstanding. Initial direct costs are included in the initial measurement of the finance lease receivable and reduce the amount of income recognized over the lease term.

Operating Lease

The Group presents assets subject to operating leases in the balance sheets according to their nature. Lease income from operating leases is recognized in income on a straight-line basis over the lease term. The aggregate cost of incentives provided to lessees is recognized as a reduction of rental income over the lease term on a straight-line basis. Operating leases are amortized based on their cost after deducting their residual values.

IAS 16 "Property, Plant and Equipment", items of property, plant and equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases.

2.15 Related Parties

Parties are considered related to the Group if;

(a) directly, or indirectly through one or more intermediaries, the party:
  (i) controls, is controlled by, or is under common control with, the Company (this includes parents, subsidiaries and fellow subsidiaries);
  (ii) has an interest in the Company that gives it significant influence over the Company; or
  (iii) has joint control over the Company;
(b) the party is an associate of the Company;
(c) the party is a joint venture in which the Company is a venture;
(d) the party is member of the key management personnel of the Company or its parent;
(e) the party is a close member of the family of any individual referred to in (a) or (d);
(f) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e);
(g) the party has a defined benefit plan for the employees of the Company or a related party of the Company.

Related party transactions are transfer of resources or obligations between related parties, regardless of whether a price is charged.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Summary of Significant Accounting Policies (cont'd)

2.16 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the Group Management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group is organized and primarily managed in three principal segments: Automotive (including passenger vehicles, commercial vehicles, generators, spare and component parts, consumer durables; operational lease); retailing (stationery, chain restaurant management, information technologies, and tourism) and other (trade, asset management and energy).

2.17 Government Incentives and Grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to such grants, and that the grants will be received. They are recognized as income over the period to match them with the related costs that they are intended to compensate. Income relating to government grants is recognized as a deduction from the appropriate expense.

2.18 Taxes

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

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

Current Tax

The current income tax payable is based on taxable profit for the period. 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 base 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.

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.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Summary of Significant Accounting Policies (cont'd)

2.18 Taxes (cont'd)

Deferred Tax (cont'd)

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 deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.19 Employee Termination Benefits

Defined Benefit Plan

In accordance with existing social legislation in Turkey, the Group companies operating in Turkey are required to make lump-sum termination indemnities to each employee who has completed over one year of service with the Group and whose employment is terminated due to retirement or for reasons other than resignation or misconduct.

In the consolidated financial statements, the Group has reflected a liability using the Projected Unit Credit Method and based upon estimated inflation rates and factors derived using the Group's experience of personnel terminating their services and being eligible to receive such benefits and discounted by using the current market yield at the balance sheet date on government bonds.

Defined Contribution Plan

The Group pays contributions to the Social Security Institution of Turkey on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are accrued.

2.20 Cash Flow Statement

Cash flows are classified according to operating, investing and financing activities in the statement of cash flow. Cash and cash equivalents are presented including interest accruals and acquisition costs.

Cash and cash equivalents are consist of cash on hand, check, demand deposits, time deposit with original maturity less than three months and other short-term highly liquid investments, whose maturities equal or less than three months, are easily convertible into cash and are subject to an insignificant risk of changes in value.

2.21 Provisions for Loans, Non-Performing Receivables and Lease Receivable

Based upon its evaluation of credits granted, management estimates the total credit risk provision that it believes is adequate to cover uncollectible amounts in the Group's loan and receivable portfolio and losses under guarantees and commitments. If there is objective evidence that the Group will not be able to collect all amounts due (principle and interest) according to original contractual terms of the loan, such loans are considered impaired and classified as "loans in arrears". The amount of the loss is measured as the difference between the loan's carrying amount and the present value of expected future cash flows discounted at the loan's original effective interest rate or as the difference between the carrying value of the loan and the fair value of collateral, if the loan is collateralized and foreclosure is probable.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Summary of Significant Accounting Policies (cont'd)

2.21 Provisions for Loans, Non-Performing Receivables and Lease Receivable (cont'd)

The Group reviews its individually significant loans and advances in each balance sheet date to assess whether an impairment loss should be recorded in the income statement. In particular, judgement of management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, the Group makes judgements about the borrower's financial situation and the net realizable value of the collateral. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

Impairment and uncollectibility are measured and recognized individually for loans and receivables that are individually significant, and on a portfolio basis for a group of similar loans and receivables that are not individually identified as impaired.

Interest accrual for "loans in arrears" is not calculated and the recoverable amount of these loans is determined primarily in reference to fair value of collateral.

The carrying amount of the asset is reduced to its estimated recoverable amount through use of an allowance for impairment account. A write off is made when all or part of a loan is deemed uncollectible or in the case of debt forgiveness. In the case that a loan is written off, the provision which has already been booked is reversed and the loan is net-off from the assets. If the principle amount of the loan written off at the earlier period is collected, the collected amount is booked as income.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to the provision for loan losses expense. Unwinding of the discount is treated as income and remaining provision is then reassessed.

If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets are collectively assessed for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

NOTE 3 - BUSINESS COMBINATIONS

Transactions for the year of 2013

None.

Transactions for the year of 2012

None.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 4 - JOINT VENTURES

Joint Ventures

			December 31, 2013			December 31, 2012		
Entity	**Principle activities**	**Country**	**Carrying value**	**Effective shareholding and voting rights %**	**Group's share of income/ (loss)**	Carrying value	Effective shareholding and voting rights %	Group's share of income/ (loss)
Anadolu Isuzu (*)	Manufacturing and selling of Isuzu brand commercial vehicles	Turkey	**140.910**	**37,56**	**76.358**	64.351	37,56	514
Ana Gıda	Production and marketing of olive oil under Kırlangıç, Komili and Madra Brands, sunflower and corn oil	Turkey	**36.238**	**37,57**	**(676)**	36.968	37,57	(3.961)
Aslancık	Production of electricity	Turkey	**35.909**	**22,67**	**(5.760)**	19.418	22,67	2.234
D Tes	Wholesale of electricity	Turkey	**-**	**-**	**(5)**	74	17,00	(15)
Faber-Castell Anadolu LLC	Trading of all kinds of stationery	Russia	**748**	**19,34**	**(1.402)**	337	19,34	(1.619)
			213.805		**68.515**	121.148		(2.847)

(*) Shares of Anadolu Isuzu are quoted on the BIST.

Summary financial information of the Group's joint venture Anadolu Isuzu is as follows:

	December 31, 2013	December 31, 2012
Anadolu Isuzu		
Total assets	**648.009**	425.819
Total liabilities	**282.674**	259.753
Net assets	**365.335**	166.066
Group's interest in net assets	**140.910**	64.351
Revenue	**645.058**	537.302
Net income for the period	**198.746**	1.339
Group's share in net income of the joint venture	**76.358**	514

Summary financial information of the Group's investment in joint venture Ana Gıda is as follows:

	December 31, 2013	December 31, 2012
Ana Gıda		
Total assets	**178.813**	171.163
Total liabilities	**105.777**	96.809
Net assets	**73.036**	74.354
Group's interest in net assets	**36.238**	36.968
Revenue	**310.647**	243.702
Net loss for the period	**(1.224)**	(7.170)
Group's share in net loss of the joint venture	**(676)**	(3.961)

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 4 - JOINT VENTURES (cont'd)

Summary financial information of the Group's investment in other joint ventures is as follows:

	December 31, 2013	December 31, 2012
Other joint ventures		
Total assets	**460.295**	327.480
Total liabilities	**351.946**	268.304
Net assets	**108.349**	59.176
Group's interest in net assets	**36.657**	19.829
Revenue	**8.815**	5.297
Net (loss) / gain for the period	**(20.105)**	3.405
Group's share in net (loss) / gain of the joint ventures	**(7.167)**	600

NOTE 5 - SEGMENT REPORTING

The Group is organized and primarily managed in three principal segments: Automotive (including passenger vehicles, commercial vehicles, generators, spare and component parts, operational lease); retailing (stationery, chain restaurant management, information technologies and tourism) and other (trade, asset management, real estate, energy).

Since segment reporting and information used in the Group management reporting is consistent with consolidated balance sheet and consolidated income statement the Group does not need to perform reconciliation between the consolidated income statement, consolidated balance sheet and the segment reporting disclosure.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 5 - SEGMENT REPORTING (cont'd)

December 31, 2013	Automotive	Retailing	Other	Unallocated	Assets held for sale	Consolidated
Sales	850.504	707.655	72.353	-	-	1.630.512
Inter-segment sales	5.507	12.982	10.579	(29.068)	-	-
Total Sales	**856.011**	**720.637**	**82.932**	**(29.068)**	**-**	**1.630.512**
GROSS PROFIT	**141.308**	**155.556**	**48.973**	**(21.930)**	**-**	**323.907**
General administrative expenses (-)	(34.650)	(55.399)	(83.886)	14.614	-	(159.321)
Marketing expenses (-)	(46.670)	(58.643)	(80)	1.889	-	(103.504)
Research and development expenses (-)	(1.287)	-	-	134	-	(1.153)
Other operating income	3.548	2.839	9.035	(3.533)	-	11.889
Other operating expenses (-)	(4.622)	(11.274)	(6.953)	190	-	(22.659)
Gain/ (Loss) from the investments accounted through equity method (*)	-	(1.402)	-	842.638	-	841.236
OPERATING PROFIT / LOSS	**57.627**	**31.677**	**(32.911)**	**834.002**	**-**	**890.395**
Income from investing activities	13.128	25.208	610.626	(99.471)	-	549.491
Expenses from investing activities (-)	(52)	(396)	(4.122)	-	-	(4.570)
OPERATING PROFIT BEFORE FINANCIAL EXPENSE	**70.703**	**56.489**	**573.593**	**734.531**	**-**	**1.435.316**
Financial income	5.685	2.412	158.846	(1.732)	-	165.211
Financial expenses (-)	(75.923)	(10.747)	(63.030)	822	-	(148.878)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS	**465**	**48.154**	**669.409**	**733.621**	**-**	**1.451.649**
Tax Expense from Continuing Operations	**(755)**	**(7.084)**	**(41.873)**	**(2)**	**-**	**(49.714)**
- Current period tax expense (-)	-	(7.964)	(38.888)	-	-	(46.852)
- Deferred tax income / (expense)	(755)	880	(2.985)	(2)	-	(2.862)
NET INCOME FOR THE PERIOD FROM CONTINUING OPERATIONS	**(290)**	**41.070**	**627.536**	**733.619**	**-**	**1.401.935**
NET INCOME FOR THE PERIOD FROM ASSETS HELD FOR SALE	-	-		-	**52.045**	**52.045**
Attributable to:	**(290)**	**41.070**	**627.536**	**733.619**	**52.045**	**1.453.980**
- Non-controlling interest	(131)	-	(694)	242.468	21.224	262.867
- Equity holders of the parent	(159)	41.070	628.230	491.151	30.821	1.191.113
Total Assets	**993.723**	**457.224**	**3.145.438**	**1.816.813**	**-**	**6.413.198**
Investments accounted through equity method	-	748	-	3.363.692	-	3.364.440
Total Liabilities	**743.192**	**199.668**	**538.455**	**(6.699)**	**-**	**1.474.616**
Property, plant and equipment and intangible asset purchases	333.490	65.707	185.443	-	-	584.640
Depreciation and amortization	46.142	21.113	2.469	(10)	-	69.714

(*) Income recognized from Anadolu Efes, ABank and Anadolu Isuzu amounting TRL 849.079 and expense recognized from Aslancık, Ana Gıda and D Tes amounting TRL 6.441 are recorded to gain/loss from the investments accounted through equity method in 'unallocated' segment; expense recognized from Faber Castel Anadolu LLC amounting to TRL 1.402 is recorded in "retailing" segment.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 5 - SEGMENT REPORTING (cont'd)

December 31, 2012	Automotive	Retailing	Other	Unallocated	Assets held for sale	Consolidated
Sales	729.493	635.988	58.042	-	-	1.423.523
Inter-segment sales	5.661	14.176	10.869	(30.706)	-	-
Total Sales	735.154	650.164	68.911	(30.706)	-	1.423.523
GROSS PROFIT	143.542	138.009	37.573	(22.791)	-	296.333
General administrative expenses (-)	(32.503)	(48.329)	(59.234)	15.656	-	(124.410)
Marketing expenses (-)	(48.856)	(47.281)	(77)	1.972	-	(94.242)
Research and development expenses (-)	(1.325)	-	-	172	-	(1.153)
Other operating income	8.528	1.911	12.194	(14.804)	-	7.829
Other operating expenses (-)	(2.263)	(9.295)	(3.014)	(178)	-	(14.750)
Gain/(Loss) from the investments accounted through equity method (*)	-	(1.619)	-	186.709	-	185.090
OPERATING PROFIT / LOSS	67.123	33.396	(12.558)	166.736	-	254.697
Income from investing activities	772	17	2.773	708.027	-	711.589
Expenses from investing activities (-)	(1.336)	(443)	(1.444)	-	-	(3.223)
OPERATING PROFIT BEFORE FINANCIAL EXPENSE	66.559	32.970	(11.229)	874.763	-	963.063
Financial income	16.479	1.828	26.145	(7.056)	-	37.396
Financial expenses (-)	(43.757)	(9.901)	(6.151)	1.638	-	(58.171)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS	39.281	24.897	8.765	869.345	-	942.288
Tax Expense from Continuing Operations	(7.312)	(5.481)	(840)	-	-	(13.633)
- Current period tax expense (-)	(781)	(6.752)	(737)	-	-	(8.270)
- Deferred tax income / (expense)	(6.531)	1.271	(103)	-	-	(5.363)
NET INCOME FOR THE PERIOD FROM CONTINUING OPERATIONS	31.969	19.416	7.925	869.345	-	928.655
NET INCOME FOR THE PERIOD FROM ASSETS HELD FOR SALE	-	-	-	-	97.820	97.820
Attributable to:	31.969	19.416	7.925	869.345	97.820	1.026.475
- Non-controlling interest	(511)	-	(129)	78.406	39.313	117.079
- Equity holders of the parent	32.480	19.416	8.054	790.939	58.507	909.396
Total Assets (**)	726.620	352.744	1.786.409	712.508	8.249.425	11.827.706
Investments accounted through equity method	-	337	-	2.134.429	-	2.134.766
Total Liabilities	472.583	131.742	205.134	2.055	7.540.592	8.352.106
Property, plant and equipment and intangible asset purchases	186.655	66.568	90.018	(35.589)	23.735	331.387
Depreciation and amortization	36.607	16.677	2.056	(674)	9.801	64.467

(*) Income recognized from Anadolu Efes, Anadolu Isuzu and Aslancık amounting TRL 190.685 and expense recognized from Ana Gıda and D Tes amounting TRL 3.976 are recorded to gain/loss from the investments accounted through equity method in 'unallocated' segment; and expense recognized from Faber Castel Anadolu LLC amounting to TRL 1.619 is recorded in "retailing" segment.

(**) Assets held for sale include goodwill amounting to TRL 35.344 (Note 16.2)

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 5 - SEGMENT REPORTING (cont'd)

Substantially all of the consolidated revenue is obtained from operations located in Turkey.

Associate: The Group's effective shareholding rate for Anadolu Efes is 27, 66% (December 31, 2012: 27,66%). The operations of Anadolu Efes and its subsidiaries consist of production, distribution and marketing of beer under a number of trademarks and selling and distribution of sparkling and still beverages with The Coca-Cola Company trademark principally in Turkey, Central Asia and Middle East. The result of these operations, for the years ended December 31, 2013 and December 31, 2012 are reflected in "gain/loss from the investments accounted through equity method" line of the consolidated income statement as gain amounting to TRL 771.457 and gain amounting to TRL 187.937 respectively.

NOTE 6 - CASH AND CASH EQUIVALENTS

	December 31, 2013	December 31, 2012
Non-Banking	**1.187.152**	159.954
Banking	**-**	471.008
Cash and cash equivalents in the consolidated cash flow statement	**1.187.152**	630.962
Banking		
-Reserve deposits at Central Bank	**-**	230.065
	1.187.152	861.027

<u>Non-Banking</u>

The details of cash and cash equivalents are as follows:

	December 31, 2013	December 31, 2012
Cash on hand	**1.895**	1.548
Cash in banks	**1.182.814**	157.010
Other	**2.443**	1.396
	1.187.152	159.954

	December 31, 2013			December 31, 2012		
	Amount	**Maturity**	**Interest rate %**	Amount	Maturity	Interest rate %
Cash in banks						
Demand deposit	**71.693**	-	-	25.102	-	-
-EUR	**10.293**	-	-	2.095	-	-
-USD	**34.467**	-	-	2.035	-	-
-GBP	**2**	-	-	115	-	-
-TRL	**23.513**	-	-	20.849	-	-
-GEL	**3.418**	-	-	8	-	-
Time deposit	**1.111.121**			131.908		
-EUR	**34.425**	**1 – 28 days**	**0,10 – 3,70**	3.774	1 – 59 days	0,25 – 1,25
-USD	**944.058**	**1 – 51 days**	**0,10 – 3,85**	35.534	8 – 36 days	3,25 – 12,00
-TRL	**132.638**	**1 – 49 days**	**4,00 – 10,00**	92.600	1 – 39 days	5,00 – 9,00
	1.182.814			157.010		

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 6 - CASH AND CASH EQUIVALENTS (cont'd)

Banking

	December 31, 2013	December 31, 2012
Cash on hand	-	56.979
-Foreign currency	-	30.915
-TRL	-	25.704
-Other	-	360
Demand deposits at Central Bank	-	340.253
-Foreign currency	-	64.388
-TRL	-	275.865
Reserve deposits at Central Bank	-	230.065
-Foreign currency	-	230.065
Cash and balances with the Central Bank	-	627.297
Deposits with banks and other financial institutions	-	73.776
	-	701.073

Banks that are established in Turkey or performing their operations by opening new branches in Turkey are subject to the Central Bank of the Republic of Turkey's Communiqué numbered 2005/1 "Required Reserves". The Bank's total domestic liabilities excluding the items stated in the Communiqué as deductibles, the deposits accepted on behalf of foreign branches from Turkey and loans obtained by the banks but followed under foreign branches constitute the required reserves liabilities.

The required reserves can be kept in Turkish Lira, American Dollar and/or Euro and standard gold form. The reserve rates for TRL liabilities vary between 5% and 11% for TRL deposits and other liabilities according to their maturities as of December 31, 2012. The reserve rates for foreign currency liabilities vary between 6% and 11, 5% for deposits and other foreign currency liabilities according to their maturities as of December 31, 2012 according to the maturity structure.

No interest is charged by CBRT for Turkish Lira and foreign currency denominated reserve requirements.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 7 - FINANCIAL INVESTMENTS

	December 31, 2013	December 31, 2012
Non-Banking	**17.076**	31.680
Banking	**-**	1.879.008
	17.076	1.910.688

Non-Banking

	December 31, 2013		December 31, 2012	
	Amount	**Effective interest rate %**	Amount	Effective interest rate %
Investment funds	**1.652**		745	-
Shares listed on the BIST	**8.965**		3.642	-
Corporate bonds and bills	**-**		621	-
Time deposits	**-**		20.213	-
Available for sale financial assets	**6.459**		6.459	
- Polinas Plastik ve Ticaret A.Ş. (Polinas)	**6.276**	**10,57**	6.276	10,57
- Other	**183**		183	
	17.076		31.680	

Banking

	December 31, 2013	December 31, 2012
Financial assets at fair value through profit and loss	**-**	50.255
Available for sale financial assets	**-**	783.046
Held to maturity financial assets	**-**	1.045.707
	-	1.879.008

Financial assets at fair value through profit and loss

	December 31, 2013	December 31, 2012
Financial assets at fair value through profit and loss		
Debt instruments		
-Government bonds and treasury bills	**-**	6.941
-Government bonds and treasury bills sold under repurchase agreements	**-**	439
-Other	**-**	22.340
	-	29.720
Other		
-Listed on the BIST	**-**	20.535
	-	20.535
Total financial assets at fair value through profit and loss	**-**	50.255

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 7 - FINANCIAL INVESTMENTS (cont'd)

Banking (cont'd)

Available for sale financial assets

	December 31, 2013	December 31, 2012
Available-for-sale financial assets at fair value		
-Government bonds and treasury bills	-	725.869
- Corporate bonds and bills	-	57.177
Total available-for-sale financial assets	-	783.046

Held to maturity financial assets

	December 31, 2013	December 31, 2012
Held to maturity financial assets		
Debt instruments		
-Government bonds and treasury bills	-	114.575
-Corporate bonds and treasury bills	-	-
-Government bonds and treasury bills sold under repurchase agreements	-	931.132
Total held to maturity financial assets	-	1.045.707

Movement of financial investments is as follows:

	December 31, 2013		
	Available for sale financial assets	**Held to maturity financial assets**	**Total**
Balance at January 1, 2013	**783.046**	**1.045.707**	**1.828.753**
Disposals through sale of subsidiary controlling interest (-)	**(783.046)**	**(1.045.707)**	**(1.828.753)**
Balance at the end of the period	**-**	**-**	**-**

	December 31, 2012		
	Available for sale financial assets	Held to maturity financial assets	Total
Balance at January 1, 2012	290.592	828.300	1.118.892
Additions	13.746.468	684.281	14.430.749
Disposals (Sale and/or redemption)	(13.273.627)	(464.809)	(13.738.436)
Change in fair value	19.613	(2.065)	17.548
Balance at the end of the period	783.046	1.045.707	1.828.753

As of December 31, 2012, the carrying value of government securities kept in the Central Bank of Turkey and in BIST Clearing and Custody Incorporation for legal requirements and as a guarantee for stock exchange and money market operations are TRL 73.537 and the cost of it is TRL 65.939.

TRL 10.617 of financial investments are classified to current assets (December 31, 2012: TRL 486.374) and TRL 6.459 of financial investments are classified to non-current assets (December 31, 2012: TRL 1.424.314).

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 8 - BORROWINGS

	December 31, 2013	December 31, 2012
Non-Banking	**1.179.382**	603.721
Banking	**-**	196.124
	1.179.382	799.845

Non-Banking

	December 31, 2013	December 31, 2012
Bank borrowings	**337.678**	238.849
Current portion of long term borrowings	**140.991**	123.489
Interest expense accruals of bonds issued (*)	**775**	-
Short term borrowings	**479.444**	362.338
Bank borrowings	**649.938**	241.383
Bonds issued (*)	**50.000**	-
Long term borrowings	**699.938**	241.383
Total borrowings	**1.179.382**	603.721

(*) Çelik Motor, a subsidiary of the Company, has issued a bond to qualified investors without public offering at April 22, 2013, with 728 days maturity and fixed coupon payment in every 6 months. The carrying amount of the bonds amounts to TRL 50.775 as of December 31, 2013 (December 31, 2012: None).

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 8 - BORROWINGS (cont'd)

As of December 31, 2013, the Group does not have any secured bank borrowings (December 31, 2012: None).

	December 31, 2013			December 31, 2012		
Short term	**Amount**	**Fixed interest rate**	**Floating interest rate**	Amount	Fixed interest rate	Floating interest rate
Borrowing in Turkish Lira	**201.660**	**5,3% - 12,9%**	**-**	199.198	5,6% - 13,5%	-
Borrowing in foreign currency (EUR)	**205.411**	**2,5% - 6,3%**	**Libor + (3,2%)**	120.502	2,9% - 6,3%	-
Borrowing in foreign currency (USD)	**72.373**	**2,6% - 6,1%**	**Libor + (2,5% - 4,2%)**	42.638	4,9% - 6,1%	Libor + (3,5% - 4,2%)
	479.444			362.338		
Long term	**Amount**	**Fixed interest rate**	**Floating interest rate**	Amount	Fixed interest rate	Floating interest rate
Borrowing in Turkish Lira	**94.611**	**8,6% - 12,8%**	**-**	45.333	5,6% - 13,5%	-
Borrowing in foreign currency (EUR)	**251.891**	**3,0% - 6,3%**	**Libor + (3,2%)**	44.952	3,7% - 6,3%	-
Borrowing in foreign currency (USD)	**303.436**	**5,6% - 6,1%**	**Libor + (3,5% - 3,9%)**	151.098	5,6% - 6,1%	Libor +(3,5% - 4,2%)
Bonds issued in Turkish Lira	**50.000**	**3,9%**		-	-	-
	699.938			241.383		
	1.179.382			603.721		

Repayments schedules of long-term borrowings are as follows:

	December 31, 2013	December 31, 2012
2014	**-**	58.694
2015	**125.374**	72.881
2016	**297.054**	18.717
2017	**28.264**	18.717
2018 and thereafter	**249.246**	72.374
	699.938	241.383

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 8 - BORROWINGS (cont'd)

Banking

As of December 31, 2012, the short term portion of bond's issued by ABank and ALease carrying amount is TRL 146.236, short term portion of long term bond's is TRL 169 and long term portion is TRL 49.692.

NOTE 9 - TRADE RECEIVABLES AND TRADE PAYABLES

9.1 Trade Receivables, Third Parties

	December 31, 2013	December 31, 2012
Trade receivables	**120.677**	137.215
Notes receivable and post-dated cheques	**50.505**	33.374
Less: provision for doubtful trade receivables	**(2.005)**	(1.861)
	169.177	168.728

As of December 31, 2013, the Group has no long term trade receivables from third parties (December 31, 2012: None).

Movement of provision for doubtful trade receivables is as follows:

	December 31, 2013	December 31, 2012
Balance at January 1	**1.861**	1.563
Provisions	**247**	320
Reversal of provision (collections)	**(103)**	(22)
Balance at the end of the period	**2.005**	1.861

The aging table of trade receivables, third parties as of December 31, 2013 and 2012 is as follows:

	Total	Neither past due nor impaired trade receivables	Past due but not impaired trade receivables				
			1 - 30 days	1 - 3 months	3 - 12 months	1 - 5 years	More than 5 years
2013	**169.177**	**159.859**	**4.148**	**420**	**4.410**	**340**	**-**
2012	168.728	162.293	4.434	1.215	478	308	-

The amount of collaterals taken for the past due but not impaired trade receivables is TRL 5.514 (December 31, 2012: TRL 2.878). Collaterals consist of letters of guarantee and mortgages.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 9 - TRADE RECEIVABLES AND TRADE PAYABLES (cont'd)

9.1 Trade Receivables, Third Parties (cont'd)

The total minimum collection of the receivables from non-cancelable operational leases of Çelik Motor, a subsidiary of the Group, for subsequent periods is as follows:

	December 31, 2013	December 31, 2012
(i) Less than one year	**155.627**	119.141
(ii) Between one year and five years	**118.369**	91.123
	273.996	210.264

9.2 Trade Payables, Third Parties

	December 31, 2013	December 31, 2012
Non-Banking	**175.399**	106.038
Banking	**-**	2.157
	175.399	108.195

As of December 31, 2013, the Group has no long term trade payables, third parties (December 31, 2012: None).

NOTE 10 - RECEIVABLES AND PAYABLES FROM FINANCING ACTIVITIES

10.1 Receivables of Financing Activities from Third Parties

	December 31, 2013	December 31, 2012
Banking loans	**-**	5.131.742
Financial lease receivables	**-**	337.817
	-	5.469.559

Banking Loans

31.12.2012	Corporate loans	SME loans	Consumer loans	Credit cards	Total
Performing loans	2.136.210	2.604.165	190.895	5.979	4.937.249
Loans under close monitoring	67.489	80.710	18.118	328	166.645
Loans under legal follow – up	105.444	127.617	940	-	234.001
Total loans	2.309.143	2.812.492	209.953	6.307	5.337.895
Specific allowance for impairment (-)	(79.217)	(24.862)	(1.630)	-	(105.709)
Collective allowance for impairment(-)	(34.581)	(48.972)	(16.552)	(339)	(100.444)
Total Provisions (-)	(113.798)	(73.834)	(18.182)	(339)	(206.153)
	2.195.345	2.738.658	191.771	5.968	5.131.742

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 10 - RECEIVABLES AND PAYABLES FROM FINANCING ACTIVITIES (cont'd)

10.1 Receivables of Financing Activities from Third Parties (cont'd)

Banking Loans (cont'd)

The carrying amount of restructured loans is as follows:

	December 31, 2013	December 31, 2012
Banking loans		
Corporate loans	**-**	66.986
SME loans	**-**	-
	-	66.986

Movement of the loan loss provision is as follows;

	December 31, 2013	December 31, 2012
Balance at January 1	**206.153**	164.271
Disposals through sale of subsidiary controlling interest (-)	**(206.153)**	-
Charge for the allowance for probable losses	**-**	182.951
Collections (-)	**-**	(14.422)
Loans written-off during the year as uncollectible (-) (*)	**-**	(126.647)
Balance at the end of the period	**-**	206.153

(*) A part of impaired loans amounting TRL 93.082 have been sold to Girişim Varlık Yönetim A.Ş. for a total consideration of TRL 18.000 on June 22, 2012 and provision for that portfolio amounting to TRL 74.189 has been reversed and another part of impaired loans amounting to TRL 58.434 have been sold to Final Varlık Yönetim A.Ş. for a total consideration of TRL 7.750 on December 12, 2012 and provision for that portfolio amounting to TRL 51.033 has been reversed.

As of December 31, 2012, allowance for impaired loans also includes allowance provided for a portfolio amounting to TRL 100.447.

As of December 31, 2012, loans and advances for which interest accrual has not been calculated or interest is remitted is amounting to TRL 234.001.

As of December 31, 2012, TRL 4.275.494 amount of Banking Loans covers current loans and TRL 856.248 amount covers non-current loans.

As of December 31, 2013 and December 31, 2012, information with regard to rating concentration of the financial liabilities is as follows:

	December 31, 2013	December 31, 2012
High grade (A, B)	**-**	55,38%
Standard grade (C)	**-**	37,30%
Substandard grade (D)	**-**	4,04%
Impaired (E)	**-**	0,50%
Not Traded	**-**	2,78%

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 10 - RECEIVABLES AND PAYABLES FROM FINANCING ACTIVITIES (cont'd)

10.1 Receivables of Financing Activities from Third Parties (cont'd)

Financial Lease Receivables

Gross investments in finance lease receivables are as follows:

	December 31, 2013	December 31, 2012
Not later than one year	-	214.667
Later than one year and not later than five years	-	196.151
Minimum lease payment receivables, gross	-	410.818
Less: Unearned interest income	-	(45.438)
Net investments in finance leases	-	365.380
Less: Reserve for doubtful financial lease receivables	-	(27.563)
Minimum lease payment receivables, net	-	337.817

Maturities of net investment in finance leases:

	December 31, 2013	December 31, 2012
Not later than one year	-	162.216
Later than one year and not later than five years	-	175.601
	-	337.817

	December 31, 2013		December 31, 2012	
	Amount	**Interest rate %**	Amount	Interest rate %
EUR	-	-	152.218	6,04-16,45
USD	-	-	93.227	5,64-9,64
TRL	-	-	92.372	11,56-29,22
	-		337.817	

Movement of provision for doubtful financial lease receivables is as follows:

	December 31, 2013	December 31, 2012
Balance at January 1	**27.563**	22.638
Disposals through sale of subsidiary controlling interest (-)	**(27.563)**	-
Collections (-)	-	10.026
Write-off (-)	-	(5.101)
Balance at the end of the period	-	27.563

As of December 31, 2012, current portion of receivables from financing activities, third parties is TRL 4.437.710 and non-current portion is TRL 1.031.849.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 10 - RECEIVABLES AND PAYABLES FROM FINANCING ACTIVITIES (cont’d)

10.2 Payables from Financing Activities, Third Parties

	December 31, 2013	December 31, 2012
Banking customers’ deposits	-	5.553.202
Funds borrowed	-	1.549.170
	-	7.102.372

Banking customers’ deposits

	December 31, 2013	December 31, 2012
Deposits from other banks	-	1.436.925
Customers’ deposits	-	4.116.277
	-	5.553.202

Deposits from other banks

	December 31, 2013		December 31, 2012	
	Demand	**Time**	Demand	Time
Foreign currency:				
Domestic banks	-	-	886	-
Foreign banks	-	-	-	-
Funds deposited under repurchase agreements	-	-	-	75.249
	-	-	886	75.249
TRL:				
Domestic banks	-	-	46	-
Funds deposited under repurchase agreements	-	-	-	1.360.744
	-	-	46	1.360.744
	-	-	932	1.435.993

Customers’ deposits

	December 31, 2013		December 31, 2012	
	Demand	**Time**	Demand	Time
Foreign currency deposits:				
Saving deposits	-	-	24.317	590.042
Commercial deposits	-	-	113.986	427.068
	-	-	138.303	1.017.110
TRL:				
Saving deposits	-	-	49.568	1.479.241
Commercial deposits	-	-	145.984	1.285.367
Funds deposited under repurchase agreements	-	-	-	704
	-	-	195.552	2.765.312
	-	-	333.855	3.782.422

As of December 31, 2012, the current portion of the deposits is amounting to TRL 5.545.254 and the non-current portion is amounting to TRL 7.948.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 10 - RECEIVABLES AND PAYABLES FROM FINANCING ACTIVITIES (cont'd)

10.2 Payables from Financing Activities, Third Parties (cont'd)

Funds Borrowed

	December 31, 2013	December 31, 2012
Foreign institutions and banks		
Syndication loans	-	365.522
Subordinated debt	-	257.489
Other	-	543.435
Total foreign	-	1.166.446
Total domestic	-	382.724
	-	1.549.170

There is no letters of guarantee denominated in foreign currency given to the lending institutions as collateral against the loans obtained.

As of December 31, 2012 TRL amount of 1.043.139 funds borrowed covers current portion and TRL 506.031 amount covers non-current portion.

As of December 31, 2012 TRL amount of 6.588.393 covers current payables from financing activities to third parties and TRL 513.979 amount covers non-current payables from financing activities to third parties.

NOTE 11 - OTHER RECEIVABLES AND PAYABLES

11.1 Other Short Term Receivables, Third Parties

	December 31, 2013	December 31, 2012
Receivables from loans (*)	**67.543**	32.083
Other	**3.887**	3.098
	71.430	35.181

(*) Receivables from loans consist of the loans carried at ABank and other banks that are transferred to Anadolu Varlık, a subsidiary of the Group. The amount of provision for the related receivable at the end of period is TRL 13.819 (December 31, 2012: TRL 13.348).

11.2 Other Long Term Receivables, Third Parties

	December 31, 2013	December 31, 2012
Non-Banking	**3.398**	2.855
-Deposits and collaterals given	**3.398**	2.855
Banking	**-**	13.180
-Collaterals given for derivatives and financial assets	**-**	13.180
	3.398	16.035

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 11 - OTHER RECEIVABLES AND PAYABLES (cont'd)

11.3 Other Short Term Payables, Third Parties

	December 31, 2013	December 31, 2012
Non-Banking	**31.968**	22.660
Banking	**-**	19.933
	31.968	42.593

Non-Banking

	December 31, 2013	December 31, 2012
Taxes payable	**24.799**	18.072
Due to personnel	**2.676**	3.015
Progress payment	**1.955**	-
Deposits and collaterals taken	**1.891**	1.484
Other	**647**	89
	31.968	22.660

Banking

	December 31, 2013	December 31, 2012
Taxes payable	**-**	14.537
Collaterals received for securities	**-**	5.396
	-	19.933

As of December 31, 2013 the non-current portion of other payables to third parties is amounting to TRL 412 (December 31, 2012: TRL 349).

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 12 - INVENTORIES

	December 31, 2013	December 31, 2012
Raw materials	**29.332**	30.242
Semi-finished goods	**6.812**	3.946
Finished goods	**35.981**	29.821
Merchandise	**84.500**	89.037
Others	**1.574**	1.159
Provision for inventories (-)	**(215)**	(500)
	157.984	153.705

The movement of provision for inventories is as follows:

	December 31, 2013	December 31, 2012
Balance at January 1	**500**	716
Provision	**76**	64
Reversal (-)	**(361)**	(280)
Balance at the end of the period	**215**	500

Provision for inventories amount has been recorded in cost of sales account.

NOTE 13 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

	December 31, 2013	December 31, 2012
Investment in associate	**3.150.635**	2.013.618
Interest in joint ventures (Note 4)	**213.805**	121.148
	3.364.440	2.134.766

13.1 Associates

			December 31, 2013			December 31, 2012		
Entity	Principle Activities	Country of business	**Carrying value**	**Effective shareholding and voting rights %**	**Group's share of income/(loss)**	Carrying value	Effective shareholding and voting rights %	Group's share of income/(loss)
Anadolu Efes (*)	Production of beer	Turkey	**2.861.949**	**27,66**	**771.457**	2.013.618	27,66	187.937
ABank (*) (**)	Banking services	Turkey	**288.686**	**17,00**	**1.264**	-	-	-
			3.150.635		**772.721**	2.013.618		187.937

(*) Shares of Anadolu Efes and ABank are currently quoted on the BIST.
(**) Sales transaction of 70, 84 % shares of ABank, which was a subsidiary of the Company, corresponding to share purchase agreement signed between Commercial Bank of Qatar (CBQ) and AEH has been completed as of July 18, 2013. With the share transfer, ABank has been recognized as an associate and accounted through equity method in the consolidated financial statements by the Group.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 13 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (cont'd)

13.1 Associates (cont'd)

Summary financial information of associate Anadolu Efes is as follows:

Summary balance sheet:	**Anadolu Efes**	Anadolu Efes
	December 31, 2013	December 31, 2012
Current Assets	**4.959.127**	2.965.619
Non-Current Assets	**17.407.857**	7.415.937
Total Assets	**22.366.984**	10.381.556
Short-Term Borrowings	**1.740.442**	749.656
Other Current Liabilities	**1.406.860**	964.350
Long-Term Borrowings	**3.535.490**	1.302.407
Other Non-Current Liabilities	**2.222.266**	592.749
Total Liabilities	**8.905.058**	3.609.162
Net Assets	**13.461.926**	6.772.394
Attributable to:		
Non-controlling interests	**3.890.275**	69.629
Net assets of the equity holders of the parent	**9.571.651**	6.702.765
Group's share in net assets	**2.861.949**	2.013.618

Summary income statement:	**Anadolu Efes**	Anadolu Efes
	December 31, 2013	December 31, 2012
Revenue	**9.195.773**	4.319.725
Net Income	**2.852.990**	630.794
Non-controlling interests	**244.070**	20.983
Equity holders of the parent	**2.608.920**	609.811
Group's share in net income	**771.457**	187.937
-Non-controlling interest	**49.757**	12.121
-Equity holders of the parent	**721.700**	175.816

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 13 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (cont'd)

13.1 Associates (cont'd)

The movement of carrying value of the associate, Anadolu Efes in the consolidated financial statements as of December 31, 2013 and December 31, 2012 is as follows:

	December 31, 2013	December 31, 2012
Balance at January 1	**2.013.618**	1.264.315
Changes in share of investments accounted through equity method (**)	**-**	706.621
Group's share in net income (*)	**771.457**	187.937
Group's share in currency translation differences	**294.538**	(44.916)
Group's share in revaluation funds	**(18.638)**	15.841
Changes in non-controlling share of investment accounted through equity method	-	103
Disposals from currency translation differences	-	(26.062)
Disposals from revaluation funds	-	(1.600)
Disposals from other reserves	**(66.559)**	994
Dividends received	**(81.938)**	(85.979)
Non-controlling interest put option liability reserve	**-**	(2.673)
Cash flow hedge reserve	**(90)**	33
Effect of change in subsidiary's consolidation scope (*)	**(49.789)**	-
Group's share in remeasurement funds	**(650)**	(996)
Balance at the end of the period	**2.861.949**	2.013.618

(*) Anadolu Efes, an associate of the Group, and the Coca Cola Export Corporation (TCCEC) which owns the 20,09% of Coco-Cola İçecek A.Ş. (CCI) has signed Shareholder Agreement related with the management of CCI. Anadolu Efes and TCCEC have decided to modify provisions of CCI's Articles of Association in particular those described as "major decisions". As a result of such amendment, TCCEC will have certain protective rights on such major decisions in accordance with the Shareholders Agreement. In addition to this, it was decided to amend CCBPL's (Coca-Cola Beverages Pakistan Ltd) Shareholders Agreement and the amendment process was completed in March 2013. As a result of such amendment which is effective from January 1, 2013, control power of CCBPL was transferred to CCI and CCBPL is included in CCI financials by using full consolidation method.

In accordance with IFRS, these transactions, which in fact do not include any consideration transferred, are accounted for as a business combination. With the change in scope of consolidation, the difference between the fair value and carrying value of CCI and CCBPL net assets, and also the currency translation differences, minority put option liability reserve, cash flow hedge reserve, actuarial gain/(loss) and other reserves attributable to previously held shares is recognized in the income statement under "Gain/(Loss) from Investments Accounted Through Equity Method" as a profit share from Anadolu Efes, which is amounting to TRL 769.410.

(**) In January 2012, Yazıcılar Holding A.Ş., Özilhan Sınai Yatırım A.Ş, Anadolu Endüstri Holding A.Ş, the subsidiary of the Company, Anadolu Efes, the associate of the Company, have signed "Definitive Transaction Agreement" with SABMiller Plc. (SABMiller). On March 6, 2012, it has been resolved to increase Anadolu Efes's issued capital to TRL 592.105, while the shareholders' right to purchase new shares has been restricted. The newly issued 142.105.263 bearer shares, which are above the nominal values, were allocated on the name of SABMiller AEL), a subsidiary of SABMiller. SABMiller AEL has made the 142.105.263 share purchase transaction for full TRL 23, 08 per each share and TRL 142.105 issued capital and TRL 3.137.684 share premium have been recorded in equity in Anadolu Efes 's consolidated financials according to this transaction. As a result of these operations, the Group's effective shareholding rate in Anadolu Efes decreased to 27, 66% from 36,39%. With the decrease of the Group's effective shareholding rate in Anadolu Efes, the Group's share in capital increase with share premium amounting to TRL 3.279.789 in Anadolu Efes's equity corresponding to Group's new effective shareholding rate amounting to TRL 706.621 recorded in "income from investing activities" account in consolidated income statement. (Note 27.1)

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 13 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (cont'd)

13.1 Associates (cont'd)

Summary financial information of ABank, the Group's associate is as follows:

Summary balance sheet:	**ABank**
	December 31, 2013
Total Assets	**10.848.655**
Total Liabilities	**10.249.830**
Net assets	**598.825**
Attributable to:	
Non-controlling interests	**10.753**
Net assets of the equity holders of the parent	**588.072**
Group's share in net assets	**288.686**

Summary income statement:	**ABank**
	December 31, 2013
Interest and fee and commission income	**848.800**
Net income	**53.148**
Non-controlling interests	**(18)**
Equity holders of the parent	**53.166**
Group's share in net income (*)	**1.264**

(*) As the details are stated in the Note 27.1, the majority of the shares of ABank, which was a subsidiary, have been sold on July 18, 2013 and as of that date; ABank is recognized as an associate and accounted with equity method in the financial statements. Therefore, it indicates the Company's share of ABank's net income for the July 18 – December 31, 2013 time period.

The movement of carrying value of the associate ABank in the consolidated financial statements as of December 31, 2013 is as follows:

	December 31, 2013
Balance at July 18, 2013	**293.560**
Group's share in net income	**1.264**
Group's share in revaluation funds	**(6.127)**
Group's share in remeasurement funds	**(11)**
Balance at the end of the period	**288.686**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 13 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (cont'd)

13.2 Joint Ventures

			December 31, 2013			December 31, 2012		
Entity	**Principle activities**	**Country**	**Carrying value**	**Effective shareholding and voting rights %**	**Group's share of income/ (loss)**	Carrying value	Effective shareholding and voting rights %	Group's share of income/ (loss)
Anadolu Isuzu (*)	Manufacturing and selling of Isuzu brand commercial vehicles	Turkey	**140.910**	**37,56**	**76.358**	64.351	37,56	514
Ana Gıda	Production and marketing of olive, sun flower and corn oils under Kırlangıç, Komili and Madra brands	Turkey	**36.238**	**37,57**	**(676)**	36.968	37,57	(3.961)
Aslancık	Production of electricity	Turkey	**35.909**	**22,67**	**(5.760)**	19.418	22,67	2.234
D Tes	Wholesale of electricity	Turkey	**-**	**-**	**(5)**	74	17,00	(15)
Faber-Castell Anadolu LLC	Trading of all kinds of stationery	Russia	**748**	**19,34**	**(1.402)**	337	19,34	(1.619)
			213.805		**68.515**	121.148		(2.847)

(*) Shares of Anadolu Isuzu are quoted on the BIST.

NOTE 14 - INVESTMENT PROPERTY

	December 31, 2013
Net book value at the beginning of the period	**-**
Transfers (*)	**62.980**
Depreciation charge for the period	**(181)**
Net book value at the end of the period	**62.799**
Cost	**66.737**
Accumulated depreciation	**(3.938)**
Net book value	**62.799**

As of a result of valuation, the fair value of the investment property is calculated as TRL 187.808 as of December 31, 2013 (December 31, 2012: None)

(*) The balance consists of real estates transferred from tangible assets.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT (PP&E)

Movements of property, plant and equipment for the year ended on December 31, 2013 are as follows:

	Land and land improvements	Buildings	Machinery and equipment	Motor vehicles(*)	Furniture and fixtures	Other tangible assets	Leasehold improvements	Construction in progress	Total
Cost									
At January 1, 2013	53.901	77.327	241.924	428.836	53.384	14.734	129.117	99.810	1.099.033
Additions	63	71	10.922	312.307	10.425	11	11.729	235.108	580.636
Disposals (-)	(1.149)	(9.489)	(11.525)	(91.163)	(2.455)	-	(3.465)	(1.747)	(120.993)
Currency translation differences	339	135	760	86	90	-	-	30.384	31.794
Disposal through sale of subsidiary controlling interest (-)	(408)	(415)	(27.224)	(639)	(19.495)	(12.075)	(37.460)	-	(97.716)
Transfers (**)	(33.174)	(17.905)	15.300	825	1.552	-	17.990	(52.521)	(67.933)
December 31, 2013	19.572	49.724	230.157	650.252	43.501	2.670	117.911	311.034	1.424.821
Accumulated depreciation									
At January 1, 2013	2.814	21.969	162.429	56.628	30.473	13.165	65.133	-	352.611
Depreciation charge for the period	369	1.539	11.982	43.925	3.468	190	5.852	-	67.325
Disposals (-)	(8)	(2.338)	(7.459)	(22.742)	(1.826)	-	(2.011)	-	(36.384)
Disposal through sale of subsidiary controlling interest (-)	-	(46)	(25.025)	(629)	(10.682)	(11.404)	(27.402)	-	(75.188)
Currency translation differences	48	112	97	30	30	-	-	-	317
Transfers (**)	-	(3.757)	-	-	-	-	-	-	(3.757)
December 31, 2013	3.223	17.479	142.024	77.212	21.463	1.951	41.572	-	304.924
Net carrying amount	16.349	32.245	88.133	573.040	22.038	719	76.339	311.034	1.119.897

(*) The carrying amount of motor vehicles in operational fleet leasing business at December 31, 2013 is TRL 532.861.
(**) TRL 62.980 of tangible assets are transferred to investment properties, TRL 1.196 is transferred to other intangible asset under intangible assets.

Property, Plant and Equipment (PP&E) held under finance lease

As of December 31, 2013, tangible asset held under finance lease are transferred to investment properties. (Note 14)

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT (PP&E) (cont'd)

Movements of property, plant and equipment for the year ended on December 31, 2012 are as follows:

	Land and land improvements	Buildings	Machinery and equipment	Motor vehicles(*)	Furniture and fixtures	Other tangible assets	Leasehold improvements	Construction in progress	Total
Cost									
At January 1, 2012	52.302	75.724	215.739	303.626	44.372	14.878	111.222	45.863	863.726
Additions (**)	1.734	840	14.143	181.041	7.922	32	5.036	97.655	308.403
Disposals (-)	(15)	(597)	(5.538)	(56.488)	(707)	(176)	(1.969)	(5.124)	(70.614)
Currency translation differences	(120)	(48)	(27)	(16)	(14)	-	-	(2.257)	(2.482)
Transfers	-	1.408	17.607	673	1.811	-	14.828	(36.327)	-
December 31, 2012	53.901	77.327	241.924	428.836	53.384	14.734	129.117	99.810	1.099.033
Accumulated depreciation									
At January 1, 2012	2.450	20.222	155.517	37.339	25.619	13.103	56.824	-	311.074
Depreciation charge for the period (***)	371	1.779	10.118	34.105	5.438	222	8.671	-	60.704
Disposals (-)	-	(21)	(3.206)	(14.813)	(584)	(160)	(362)	-	(19.146)
Currency translation differences	(7)	(11)	-	(3)	-	-	-	-	(21)
December 31, 2012	2.814	21.969	162.429	56.628	30.473	13.165	65.133	-	352.611
Net carrying amount	51.087	55.358	79.495	372.208	22.911	1.569	63.984	99.810	746.422

(*) The carrying amount of motor vehicles in operational fleet leasing business at December 31, 2012 is TRL 367.631.
(**) Additions related to assets held for sale amount to TRL 4.853 as of December 31, 2012.
(***) Current year depreciation charge related to assets held for sale amounts to TRL 7.360 as of December 31, 2012.

Property, Plant and Equipment (PP&E) held under finance lease

The carrying amount of PP&E held under finance leases at December 31, 2012 is TRL 20.925. According to the finance lease law, PP&E under finance lease are owned by the finance lease company during the lease term. Hence, these PP&E are regarded as collaterals by the finance lease company.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 16 - INTANGIBLE ASSETS

16.1 Other Intangible Assets

Movements of intangible assets for the year ended on December 31, 2013 are as follows:

	Rights	**Patents and licenses**	**Franchise**	**Other intangible assets**	**Total**
Cost					
January 1, 2013	**74.553**	**5.541**	**1.051**	**2.286**	**83.431**
Additions	**3.043**	**-**	**-**	**961**	**4.004**
Disposals (-)	**(1.127)**	**-**	**-**	**-**	**(1.127)**
Disposal through sale of subsidiary controlling interest (-)	**(52.008)**			**(1.620)**	**(53.628)**
Transfers	**-**	**-**	**-**	**1.196**	**1.196**
December 31, 2013	**24.461**	**5.541**	**1.051**	**2.823**	**33.876**
Accumulated amortization					
January 1, 2013	**42.699**	**5.532**	**396**	**1.468**	**50.095**
Amortization charge for the period	**1.844**	**-**	**53**	**311**	**2.208**
Disposals	**(1.127)**	**-**	**-**	**-**	**(1.127)**
Disposal through sale of subsidiary controlling interest (-)	**(32.005)**	**-**	**-**	**(1.179)**	**(33.184)**
December 31, 2013	**11.411**	**5.532**	**449**	**600**	**17.992**
Net carrying amount	**13.050**	**9**	**602**	**2.223**	**15.884**

Movements of intangible assets for the year ended on December 31, 2012 are as follows:

	Rights	Patents and licenses	Franchise	Other intangible assets	Total
Cost					
January 1, 2012	52.139	5.541	1.051	1.716	60.447
Additions (*)	22.414	-	-	570	22.984
December 31, 2012	74.553	5.541	1.051	2.286	83.431
Accumulated amortization					
January 1, 2012	39.321	5.383	364	1.264	46.332
Amortization charge for the period (**)	3.506	-	53	204	3.763
December 31, 2012	42.827	5.383	417	1.468	50.095
Net carrying amount	31.726	158	634	818	33.336

(*) Additions related to assets held for sale amount to TRL 18.882 as of December 31, 2012.
(**) Current year amortization charge related to assets held for sale amounts to TRL 2.441 as of December 31, 2012.

16.2 Goodwill

As of December 31, 2013 there is no goodwill. (December 31, 2012: TRL 35.344). The details related with the impairment test for goodwill are stated in Note 2.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 17 - GOVERNMENT INCENTIVES AND GRANTS

As of December 31, 2013, the Group has investment incentives amounting to TRL 1.393 (December 31, 2012: TRL 94.675).

NOTE 18 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

18.1 Provision for Employee Benefits

The provisions for employee benefits as of December 31, 2013 and December 31, 2012 are as follows:

	December 31, 2013	December 31, 2012
Short-term	**10.318**	25.223
Provision for bonus	**5.267**	18.041
Provision for vacation pay liability	**5.051**	7.182
Long-term	**19.551**	24.445
Provision for employee termination benefits	**19.551**	24.445
	29.869	49.668

Provision for Employee Termination Benefits

In accordance with the existing social legislation, the Group is required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are calculated on the basis of 30 days' pay (limited to a maximum of TRL 3,2544/year at December 31, 2013 and TRL 3,034/year December 31, 2012, respectively) per year of employment at the rate of pay applicable at the date of retirement or termination.

In the consolidated financial statements as of December 31, 2013 and December 31, 2012 the Group reflected a liability calculated using the Projected Unit Method and based upon factors derived using their experience of personnel terminating their services and being eligible to receive retirement pay and discounted by using the current market yield at the balance sheet date on government bonds.

The principal actuarial assumptions used at the balance sheet dates are as follows:

	December 31, 2013	December 31, 2012
Discount rate – yearly (%)	**3,95**	2,48
Turnover rate to estimate the probability of retirement (%)	**95,87**	94,95

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. As the maximum liability is revised once every six months, the maximum amount of TRL 3,4382 effective from 1 January 2014 (1 January 2013: TRL 3,1293) has been taken into consideration in calculating the reserve for employment termination benefit of the Group.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 18 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

18.1 Provision for Employee Benefits (cont'd)

Provision for Employee Termination Benefits (cont'd)

The movement of provision for employee termination benefits is as follows:

	December 31, 2013	December 31, 2012
Balance at January 1	**24.445**	18.337
Disposals through sale of subsidiary controlling interest (-)	**(5.085)**	-
Interest cost (*)	**1.596**	1.332
Charge for the period (net)(*)	**2.101**	7.377
Paid (-)	**(4.023)**	(4.528)
Actuarial loss	**517**	1.927
Balance at the end of the period	**19.551**	24.445

(*) As of December 31, 2012, TRL 309 of interest cost, TRL 610 of the charge for the period and TRL 101 of the payment are related with assets held for sale.

18.2 Other Provisions

The provisions as of December 31, 2013 and December 31, 2012 are as follows:

	December 31, 2013	December 31, 2012
Non-Banking	**1.994**	1.779
Banking	**-**	29.420
	1.994	31.199

Non-Banking

	December 31, 2013	December 31, 2012
Provision for litigations	**1.338**	1.338
Warranty provisions (*)	**656**	441
	1.994	1.779

(*) Warranty provisions are resulting from sales of Anadolu Motor which is a subsidiary of the Company. Çelik Motor a subsidiary of the Company has the right of recourse the compensation payments of imported vehicles under warranty to the manufacturer company.

Banking

	December 31, 2013	December 31, 2012
Loan loss provision	**-**	27.263
Provision for litigations	**-**	1.646
Others	**-**	511
	-	29.420

As of December 31, 2013, the Group has no long term provisions (December 31, 2012: None).

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 19 - COMMITMENTS

Non-Banking

As of December 31, 2013 and December 31, 2012 letter of guarantees, pledges and mortgages (GPMs) given in favor of the parent company and non-banking subsidiaries included in full consolidation are as follows:

31.12.2013	**Total TRL Equivalent**	**Original Currency TRL**	**Original Currency Thousand USD**	**Original Currency Thousand EUR**
Letter of guarantees, pledge and mortgages provided by the Company				
A. Total amount of GPMs given on behalf of the Company's legal personality	**144.148**	47.250	42.100	2.399
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	**58.535**	24.214	16.081	-
C. Total amount of GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-
D. Total amount of other GPM's	-	-	-	-
i. Total amount of GPMs given in favor of the parent Company	-	-	-	-
ii. Total amount of GPMs given in favor of other group companies not in the scope of B and C above	-	-	-	-
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-	-	-
	202.683	71.464	58.181	2.399

31.12.2012	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR
Letter of guarantees, pledge and mortgages provided by the Company				
A. Total amount of GPMs given on behalf of the Company's legal personality	54.835	41.881	3.805	2.624
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	52.880	24.214	16.081	-
C. Total amount of GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-
D. Total amount of other GPM's	-	-	-	-
i. Total amount of GPMs given in favor of the parent Company	-	-	-	-
ii. Total amount of GPMs given in favor of other group companies not in the scope of B and C above	-	-	-	-
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-	-	-
	107.715	66.095	19.886	2.624

As of December 31, 2013, the ratio of other GPMs over the Company's equity is 0%. (December 31, 2012: 0%).

ABH has service agreement liabilities for 1 to 5 years with its customers.

NOTE 19 - COMMITMENTS (cont'd)

Non-Banking (cont'd)

The Group's letter of guarantees, letters of guarantee, cheques and notes of guarantee, mortgage and other guarantees received from its customers in consideration of its receivables amount to TRL 186.483, TRL 952, TRL 26.921 and TRL 2.693, respectively (December 31, 2012: TRL 133.136, TRL 569, TRL 23.449 and TRL 1.252).

The tax authority and other authorities (Social Security Institution) can inspect tax returns and the related accounting records for a retrospective maximum period of five years. Group has not provided any tax provision regarding prior years.

AEH, one of the subsidiaries of the Company, has undertaken the obligation of preserving the corporate presence of McDonald's within the period of its license contract and the obligation of supporting to fulfill the financial and fiscal liabilities.

AEH, which is a subsidiary of the Company, is a guarantor of the long term loan that GUE, which is a subsidiary of the Company, borrowed for construction of a hydroelectric power plant with a capacity of 87 MW in Georgia amounting to USD 115.500.000, for the period until start of electricity production. "Total amount of GPMs given in favor of subsidiaries included in full consolidation" stated in the table of the letter of guarantees, pledges and mortgages (GPMs) given in favor of the parent company and non-banking subsidiaries included in full consolidation consists of guarantee amounting to TRL 34.321 (December 31, 2012 : TRL 28.666)

Çelik Motor, the subsidiary, operates in the operational fleet leasing business for the various rental periods.

AEH, the subsidiary of the Company, has acted as a guarantor in the proportion of its capital (33%), to its joint venture Aslancık's long term project finance loan which was taken in 2011 amounting to USD 160.000.000 in relation to its 120 MW hydro power plant under construction in Giresun.

Based on the Subscription and Shareholders Agreement, AEH, one of the subsidiaries of the Company, has granted a put option to SEEF Foods regarding its joint venture in Ana Gıda which may be exercisable between 2012 and 2014. As it is granted to the other shareholder of the joint venture, such put option is considered as derivative instrument with respect to IAS 39.

The Turkish Radio and Television Corporation (TRT) General Directorate has made total of 9 notifications to Anadolu Elektronik, a subsidiary of the Company, in 2013 for bandrole payments made between 2005-2010. The fees of the notifications include default interests, administrative fine and principal that amounts to TRL 16.673. In January 2014, Anadolu Elektronik has litigated against and since there is a high possibility of a favorable case result, there are not any provisions booked in the consolidated financial statements for the related notifications.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 19 - COMMITMENTS (cont'd)

Banking (cont'd)

As the details are stated in the Note 27.1, the majority of the shares of ABank, which was a subsidiary, have been sold on July 18, 2013 and as of that date; ABank is considered as an associate and recognized with equity method in the financial statements. All the shares of ALease, which was a subsidiary, have been sold at November 8, 2013 as the details are stated in Note 27.1.

In the normal course of business activities, ABank and its consolidated subsidiaries undertake various commitments. Commitments that are not presented in the financial statements including:

	December 31, 2013	December 31, 2012
Letters of guarantees and letters of credit	-	1.981.033
Acceptance credits	-	28.179
Total non-cash loans	-	2.009.212
Other commitments (*)	-	1.682.246
	-	3.691.458

(*) Other commitments include commitments for reserve deposits requirements, loan granting commitments and asset purchase and sale commitments.

The maturity analysis of contingent liabilities and commitments is as follows;

December 31, 2012	Indefinite	Up to 1 year	1-5 years	More than 5 years	Total
Letters of guarantees and letters of credit	1.675.583	119.402	186.048	-	1.981.033
Acceptance credits	-	7.382	20.797	-	28.179
Other	-	-	-	-	-
	1.675.583	126.784	206.845	-	2.009.212

As of December 31, 2012, ALease has no letters of guarantees given for funds borrowed from banks and various leasing transactions.

Blocked Assets

As of December 31, 2013, there is no TRL denominated and foreign currency denominated blocked assets (As of December 31, 2012 respectively: TRL 1.192.155 and TRL 281.677)

Assets pledged as collateral as of December 31, 2012 are as follows:

	December 31, 2013		December 31, 2012	
	Assets	**Related Liability**	Assets	Related Liability
Financial assets at fair value through profit and loss	-	-	439	430
Financial assets	-	-	1.364.566	1.435.563
Other assets pledged	-	-	13.180	-
	-	-	1.378.185	1.435.993

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 20 – PREPAID EXPENSES

	December 31, 2013	December 31, 2012
Non-Banking	**56.618**	42.338
Banking	**-**	8.605
	56.618	50.943

20.1 Short-term Prepaid Expenses

Non-Banking

	December 31, 2013	December 31, 2012
Advances given	**12.129**	1.912
Prepaid expenses	**15.836**	10.311
	27.965	12.223

Banking

	December 31, 2013	December 31, 2012
Prepaid expenses	**-**	364
	-	364

20.2 Long-term Prepaid Expenses

Non-Banking

	December 31, 2013	December 31, 2012
Advances given	**24.465**	25.842
Prepaid expenses	**4.188**	4.273
	28.653	30.115

Banking

	December 31, 2013	December 31, 2012
Prepaid expenses	**-**	8.241
	-	8.241

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 21 - OTHER ASSETS AND LIABILITIES

21.1 Other Current Assets

	December 31, 2013	December 31, 2012
Non-Banking	**57.408**	25.200
Banking	**-**	14.595
	57.408	39.795

Non-Banking

	December 31, 2013	December 31, 2012
VAT receivable	**55.527**	23.555
Income accruals	**405**	314
Personnel advances	**367**	223
Work advances	**85**	53
Other current assets	**1.024**	1.055
	57.408	25.200

Banking

	December 31, 2013	December 31, 2012
VAT receivable	**-**	1.180
Receivables from insurance policies	**-**	1.140
Temporary accounts and other	**-**	12.275
	-	14.595

21.2 Other Non-Current Assets

	December 31, 2013	December 31, 2012
Non-Banking	**72.062**	20.597
VAT receivable	**22.062**	20.597
Capital advance given (*)	**50.000**	-
Banking	**-**	59.491
Assets held for sale	**-**	40.992
Other	**-**	18.499
	72.062	80.088

(*) Based on the ABank's Board of Directors' decision taken on December 2, 2013, about capital increase amounting to TRL 200.000, the subsidiaries of the Company and AEH and Anadolu Motor, the shareholders of ABank, participated to capital increase with TRL 50.000 and made related payments before balance sheet date.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 21 - OTHER ASSETS AND LIABILITIES (cont'd)

21.3 Other Current Liabilities (cont'd)

	December 31, 2013	December 31, 2012
Non-Banking	**4.526**	5.487
Banking	**-**	158.941
	4.526	164.428

Non-Banking

	December 31, 2013	December 31, 2012
Advances taken	**3.178**	4.277
Deferred income	**1.331**	1.201
Other payables	**17**	9
	4.526	5.487

Banking

	December 31, 2013	December 31, 2012
Restricted cash	**-**	53.470
Cheques in collection	**-**	51.328
Collections regarding assets held for sale	**-**	13.462
Advances taken from customers	**-**	4.444
Other	**-**	36.237
	-	158.941

As of December 31, 2013, other non-current liability amounts to TRL 1.046 (December 31, 2012: TRL 127).

NOTE 22 - EQUITY

Shared Capital / Adjustments to Share Capital and Equity Instruments

	December 31, 2013		December 31, 2012	
	Amount	**%**	Amount	%
Yazıcı Families	**61.116**	**38,20**	61.203	38,25
Kamil Yazıcı Yönetim ve Danışma A.Ş.	**53.687**	**33,55**	53.600	33,50
Publicly traded (*)	**45.197**	**28,25**	45.197	28,25
Paid-in share capital - historical	**160.000**	**100,00**	160.000	100,00
Inflation adjustment to share capital	**-**		-	
Total share capital	**160.000**		160.000	

(*) As of December 31, 2013 TRL 5.073 of the publicly traded portion of shares, which is 3,17% of the paid-in share capital, is owned by Kamil Yazıcı Yönetim ve Danışma A.Ş. (December 31, 2012: TRL 4.944 of the publicly traded portion, which is 3,09% of the paid-in share capital).

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 22 – EQUITY (cont'd)

Shared Capital / Adjustments to Share Capital and Equity Instruments (cont'd)

Movement of paid in share capital as at December 31, 2013 and December 31, 2012 is as follows (historical amounts):

	December 31, 2013		December 31, 2012	
	Number of shares	**Amount**	Number of shares	Amount
Balance at January 1	**160.000.000**	**160.000**	160.000.000	160.000
-Inflation adjustment to share capital	**-**	**-**	-	-
Balance at the end of the period	**160.000.000**	**160.000**	160.000.000	160.000

Kamil Yazıcı Yönetim ve Danışma A.Ş. (henceforth as Management Company) is a professional management company established by members of the Kamil Yazıcı Family to manage their investments. With the special board nomination rights granted to Class A and Class B shares (1 + 3) which it owns, it is entitled to appoint four of the six directors to the Company's board of directors. Namely;

Yazıcılar's common shares are divided into four classes, with each class of shares having equal voting rights on all matters except for the election of directors. Classes B, C and D consist of registered shares and are owned by the members of the three Yazıcı Families. Class A shares are all bearer type shares; shares belonging to three Yazıcı Families and publicly traded shares are included in Class A.

Class	Number of shares	Percentage of capital %	Number of members on Board
A (Bearer)	87.818.037	54,89	1
B (Registered)	31.999.964	20,00	3
C (Registered)	19.235.049	12,02	1
D (Registered)	20.946.950	13,09	1
	160.000.000	**100,00**	**6**

Restricted Reserves Allocated from Net Profit, Revaluation and Remeasurement Loss / Gain

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory net income (inflation-restated income in accordance with CMB at the rate of 5%, until the total reserve reaches a maximum of 20% of the Company's issued capital (inflation restated issued capital in accordance with the communiqués and announcements of CMB). The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's issued capital (inflation restated capital in accordance with CMB). The legal reserves are not available for distribution unless they exceed 50% of the issued capital, other than that legal reserves cannot be used.

Quoted companies are subject to dividend requirements regulated by the Capital Markets Board of Turkey. Based on the CMB Decree 1/6, dated January 9, 2009, companies that take their consolidated financial statements as basis for their distributable profit, shall consider the profits of their subsidiaries, joint ventures and associates to the extent that such profits do not exceed the amount recorded in the statutory financial statements of these companies and without considering whether a profit distribution resolution is taken at their annual general meetings. Such profits as reported in the financial statement as per Communiqué shall be subject to distributable dividend computations.

As a result of the decision of CMB on January 27, 2010, there are no obligations for the minimum dividend payments subject to public incorporated companies whose shares are traded in the stock exchange.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 22 - EQUITY (cont'd)

Restricted Reserves Allocated from Net Profit, Revaluation and Remeasurement Loss / Gain (cont'd)

Inflation adjustment to shareholders' equity can only be netted-off against prior years' losses and used as an internal source in capital increase where extraordinary reserves can be netted-off against prior years' loss and used in the distribution of bonus shares and dividends to shareholders. Inflation adjustment to shareholders' equity, in the case of cash used for profit distribution will be subject to corporate income tax.

As of December 31, 2013, the total amount of the distributable profit from the net income of the Company is amounting to TRL 215.986 consisting of net statutory distributable profit of the period TRL 65.144 and other resources subject to profit distribution of TRL 150.842.

	December 31, 2013	December 31, 2012
Revaluation and remeasurement loss	**(6.958)**	21.293
-Available for sale financial assets	**(6.958)**	19.509
-Business combinations	**-**	1.784

	December 31, 2013	December 31, 2012
Restricted reserves allocated from net profit	**25.203**	21.832

Retained Earnings

As of December 31, 2013 and December 31, 2012 the summary of equity reserves, extraordinary reserves, other profit reserves, and retained earnings are as follows:

	December 31, 2013	December 31, 2012
Equity reserves	**1.166**	1.166
Extraordinary reserves	**170.950**	144.998
Other profit reserves	**2.558**	2.558
Retained earnings	**2.344.990**	1.505.017
	2.519.664	1.653.739

Non-Controlling Interest

Non-controlling interests are separately classified in consolidated financial statements.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 23 - CONTINUING OPERATIONS

GROSS PROFIT	December 31, 2013	December 31, 2012
Revenue	**1.568.385**	1.374.786
Service income	**62.127**	48.737
Cost of goods sold (-)	**(1.306.605)**	(1.127.190)
	323.907	296.333

The details of cost of sales realized in years 2013 and 2012 are as follows:

	December 31, 2013	December 31, 2012
Cost of inventories and merchandises	**888.507**	780.378
Payroll expenses	**114.388**	100.812
Rent expenses	**69.156**	56.903
Depreciation and amortization expenses	**60.890**	48.179
Other expenses	**173.664**	140.918
	1.306.605	1.127.190

NOTE 24 - OPERATING EXPENSES

	December 31, 2013	December 31, 2012
General administrative expenses	**159.321**	124.410
Marketing expenses	**103.504**	94.242
Research and development expenses	**1.153**	1.153
	263.978	219.805

	December 31, 2013	December 31, 2012
General administrative expenses		
Payroll expenses	**102.513**	90.227
Consultancy and services rendered expenses	**15.576**	9.483
Depreciation and amortization expenses of tangible and intangible assets and investment properties	**8.411**	6.101
Taxes and duties	**7.429**	3.810
Transportation expenses	**3.551**	2.717
Utility expenses	**1.923**	1.547
Maintenance and repair expenses	**1.724**	1.397
Insurance expenses	**1.457**	1.218
Other expenses	**16.737**	7.910
	159.321	124.410

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 24 - OPERATING EXPENSES (cont'd)

	December 31, 2013	December 31, 2012
Marketing expenses		
Advertisement and promotion expenses	**43.547**	41.635
Payroll expenses	**22.833**	19.328
Transportation expenses	**8.876**	7.743
License expenses	**2.292**	2.013
Fair expenses	**1.825**	767
Services rendered expenses	**1.338**	6.574
Exportation expenses	**832**	664
Contribution to dealers' selling expenses	**756**	1.225
Depreciation and amortization expenses	**317**	329
Other expenses	**20.888**	13.964
	103.504	94.242

NOTE 25 - EXPENSES BY NATURE

The amounts of depreciation and amortization expenses recorded in the consolidated income statement accounts are as follows:

	December 31, 2013	December 31, 2012
Depreciation and amortization expenses		
Cost of sales	**60.890**	48.179
General administrative expenses	**8.411**	6.101
Marketing expenses	**317**	329
Research and development expenses	**96**	58
	69.714	54.667

The amounts of payroll expenses recorded in the consolidated income statement accounts are as follows:

	December 31, 2013	December 31, 2012
Payroll expenses		
Cost of sales	**114.388**	100.812
General administrative expenses	**102.513**	90.227
Marketing expenses	**22.833**	19.328
Research and development expenses	**838**	869
	240.572	211.236

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 26 - OTHER OPERATING INCOME/EXPENSES

26.1 Other Operating Income

	December 31, 2013	December 31, 2012
Foreign exchange gains arising from trading activities	**7.190**	1.992
Commission income	**805**	314
Insurance compensation income	**39**	3.053
Other	**3.855**	2.470
	11.889	7.829

26.2 Other Operating Expenses

	December 31, 2013	December 31, 2012
Restaurant opening expenses	**8.121**	5.591
Foreign exchange losses arising from trading activities	**4.020**	1.245
Donation	**3.826**	2.138
Provision for doubtful receivables	**718**	1.030
Rediscount expense from trading activities	**865**	49
Other	**5.109**	4.697
	22.659	14.750

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 27 – INCOME/EXPENSES FROM INVESTING ACTIVITIES

27.1 Income from Investing Activities

	December 31, 2013	December 31, 2012
Gain on disposal of subsidiary controlling interest (*)	**515.092**	-
Gain on sale of property, plant and equipment	**27.293**	1.888
Gain on sale of marketable securities	**2.800**	1.714
Rent income	**1.383**	307
Gain on revaluation of marketable securities	**475**	732
Gain on sale of share in associate (**)	**-**	706.621
Other	**2.448**	327
	549.491	711.589

(*) Sale of ABank's, which was a subsidiary of the Company, 70,84% shares to Commercial Bank of Qatar (CBQ) based on the share purchase agreement signed between Commercial Bank of Qatar (CBQ) and subsidiaries AEH, Çelik Motor, indirect participation Efes Pazarlama ve Dağıtım Ticaret A.Ş. ("Efpa") and also AEH's other shareholder Özilhan Sınai Yatırım ve Ticaret A.Ş. ("Özilhan Sınai") has been completed as of July 18, 2013. As a result of this sale, the Company's effective shareholding rate in ABank decreased to 17,00% from 61,11%. The remaining ABank shares of the Company are accounted based on its fair value, are recognized as an associate and are reclassified under "Investments accounted through equity method" in compliance with IFRS 10 "Consolidated Financial Statements". Based on the share sales agreement between AEH, the subsidiary of the Company, and ABank, a subsidiary of the Company the procedures for the sale of 95,8% shares of ALease, an associate of the Company has been completed as of November 8, 2013. ABank has purchased the 95,8% of ALease's shares from AEH for TRL 11.585.785 (full TRL) and as well as shares of ALease's other shareholder's and raised its shares of ALease to 99,9%. Gain on disposal of subsidiaries controlling interests ABank and ALease amounting to TRL 515.092 that has been accounted under "income from investing activities" account in consolidated income statement includes the income amounting to TRL 146.780 due to the increase in the fair value of ABank's accounting based on fair value. AEH has decided to transfer three quarters of revenue from sale of the shares of ABank and ALease to a special fund.

(**) In January 2012, Yazıcılar Holding A.Ş., Özilhan Sınai Yatırım A.Ş, Anadolu Endüstri Holding A.Ş, the subsidiary of the Company, Anadolu Efes, the associate of the Company, have signed "Definitive Transaction Agreement" with SABMiller Plc. (SABMiller). On March 6, 2012, it has been resolved to increase the Anadolu Efes's issued capital to TRL 592.105, while the shareholders' right to purchase new shares has been restricted. The newly issued 142.105.263 bearer shares, which are above the nominal values, were allocated on the name of SABMiller AEL, a subsidiary of SABMiller. SABMiller AEL has made the 142.105.263 share purchase transaction for full TRL 23,08 per each share and TRL 142.105 issued capital and TRL 3.137.684 share premium have been recorded in equity in Anadolu Efes's consolidated financials according to this transaction. As a result of these operations, the Group's effective shareholding rate in Anadolu Efes decreased to 27,66% from 36,39%. With the decrease of the Group's effective shareholding rate in Anadolu Efes, the Group's share in capital increase with share premium amounting to TRL 3.279.789 in Anadolu Efes's equity corresponding to Group's new effective shareholding rate amounting to TRL 706.621 recorded in "income from investing activities" account in consolidated income statement.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 27 – INCOME/EXPENSES FROM INVESTING ACTIVITIES

27.2 Expenses from Investing Activities

	December 31, 2013	December 31, 2012
Loss on sale of property, plant and equipment	**2.004**	1.799
Loss on sale of marketable securities	**1.208**	1.424
Loss on revaluation of marketable securities	**890**	-
Other	**468**	-
	4.570	3.223

NOTE 28 - FINANCIAL INCOME

	December 31, 2013	December 31, 2012
Foreign exchange gain	**131.757**	18.282
Interest income	**32.939**	19.022
Other income	**515**	92
	165.211	37.396

NOTE 29 - FINANCIAL EXPENSES

	December 31, 2013	December 31, 2012
Foreign exchange loss	**101.908**	14.752
Interest expense	**42.903**	40.461
Other expense	**4.067**	2.958
	148.878	58.171

NOTE 30 - NON-CURRENTASSETS HELD FOR SALE

The sale transaction of 70,84% shares of ABank, which was a subsidiary of the Company, to CBQ has been completed as of July 18, 2013 and sale of 95,8% share of ALease, which was a subsidiary of the Company, to ABank has been completed as of November 8, 2013 as the details are stated in Note 27.1.

ABank and ALease's income, till the date of sale transaction is completed, is classified as non-current assets held for sale in accordance with IFRS 5 in the current year income statement and ABank and ALease are classified as non-current assets held for sale in the consolidated income statement as of December 31, 2012 in order to be consistent with the current year's presentation.

Summary income statements assets held for sale is as the following:

1 January – 31 December 2013	**ABank**	**ALease**	**Total**
Revenue from Financing Activities	415.966	32.231	448.197
Cost of Financing Activities (-)	(173.445)	-	(173.445)
Other expense, net	(182.424)	(38.223)	(220.647)
Eliminations			7.455
Income before tax from assets held for sale	60.097	(5.992)	61.560
Tax (expense) / income	(11.656)	2.141	(9.515)
Net income from assets held for sale	**48.441**	**(3.851)**	**52.045**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 30 - NON-CURRENTASSETS HELD FOR SALE (cont'd)

1 January – 31 December 2012	ABank	ALease	Total
Revenue from Financing Activities	906.846	32.118	938.964
Cost of Financing Activities (-)	(447.302)	-	(447.302)
Other expenses, net	(360.592)	(26.268)	(386.860)
Eliminations			14.740
Income before tax from assets held for sale	98.952	5.850	119.542
Tax expense	(17.470)	(4.252)	(21.722)
Net income from assets held for sale	81.482	1.598	97.820

NOTE 31 - TAX ASSETS AND LIABILITIES

The Group is subject to taxation in accordance with the tax procedures and the legislation effective in the countries in which the Group companies operate.

The corporation tax rate for the fiscal year is 20% in Turkey (2012: 20%). Corporate tax returns are required to be filed until the twenty-fifth of the fourth month following the balance sheet date and paid in one installment until the end of the related month. The tax legislation provides for a provisional tax of 20% (2012: 20%) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the fiscal year.

According to the Turkish Tax Law, corporate tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

In Turkey, the tax legislation does not permit to file a consolidated tax return. Therefore, provision for taxes, as reflected in the consolidated financial statements, has been calculated on a separate-entity basis.

31.1 Current Income Tax Assets and Tax Provision

	December 31, 2013	December 31, 2012
Current Income Tax Assets	**6.340**	6.760
Income tax payable (-)	**(11.662)**	(5.096)
Net tax (liability) / asset	**(5.322)**	1.664

	December 31, 2013	December 31, 2012
Balance at January 1	**1.664**	(164)
Income tax expense (*)	**(46.852)**	(44.157)
Prepaid tax (*)	**35.100**	45.985
Disposals through subsidiary controlling interest (-)	**4.766**	-
Balance at the end of the period	**(5.322)**	1.664

(*) As of December 2012, TRL 35.887 of income tax expense and TRL 35.702 of prepaid taxes are related with assets held for sale.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 31 - TAX ASSETS AND LIABILITIES (cont'd)

31.2 Deferred Tax Assets and Liabilities

The distribution of deferred tax assets and liabilities is as follows:

	December 31, 2013	December 31, 2012
Deferred tax asset	**9.246**	53.220
Deferred tax liability (-)	**(32.034)**	(26.045)
Total deferred tax (liability) / asset, net	**(22.788)**	27.175

Movement of net deferred tax liability as of the period ended on December 31, 2013 is as follows:

	Balance December 31,2012	**Disposals through sale of subsidiary controlling interest**	**Recorded to income statement**	**Balance December 31, 2013**
Property, plant and equipment, and intangibles	**(41.236)**	**870**	**4.679**	**(35.687)**
Tax loss carried forward (*)	**15.480**	**-**	**377**	**15.857**
Employee termination benefit	**3.847**	**20**	**12**	**3.879**
Financial leases	**(1.045)**	**-**	**1.035**	**(10)**
Investment incentive	**14.799**	**(14.539)**	**19**	**279**
Loan loss provision	**13.822**	**(13.822)**	**-**	**-**
Provision for doubtful receivables	**6.609**	**(6.275)**	**1**	**335**
Other	**14.899**	**(13.941)**	**(8.399)**	**(7.441)**
Net deferred tax (liability)/asset	**27.175**	**(47.687)**	**(2.276)**	**(22.788)**
Currency translation difference	**-**		**(417)**	
Actuarial (loss)/gain fund	**-**		**(169)**	
	27.175	**(47.687)**	**(2.862)**	**(22.788)**

The movement of net deferred tax asset as of the period ended on December 31, 2012 is as follows:

	Balance December 31, 2011	Recorded to income statement (**)	Balance December 31, 2012
Property, plant and equipment, and intangibles	(27.732)	(13.504)	(41.236)
Tax loss carried forward (*)	7.237	8.243	15.480
Employee termination benefit	3.660	187	3.847
Financial leases	(1.083)	38	(1.045)
Investment incentive	19.105	(4.306)	14.799
Loan loss provision	14.282	(460)	13.822
Other	2.539	18.969	21.508
Net deferred tax (liability)/asset	18.008	9.167	27.175
Reclassification to revaluation funds	-	23	
Actuarial (loss)/gain fund	-	(387)	
	18.008	8.803	27.175

(*) As of December 31, 2013, carry forward tax losses for which no deferred taxes calculated amounting to TRL 38.479 (December 31, 2012: TRL 16.438).

(**) As of December 31, 2012 TRL 14.166 of TRL 8.803 deferred tax income recorded to income statement is related to assets held for sale.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 31 - TAX ASSETS AND LIABILITIES (cont'd)

31.3 Tax Expense

	December 31, 2013	December 31, 2012
Income tax expense (-)	**(46.852)**	(8.270)
Deferred tax expense (-)	**(2.862)**	(5.363)
	(49.714)	(13.633)

	December 31, 2013	December 31, 2012
Profit before tax from continuing operations	**1.451.649**	942.288
Tax ratio used by the parent company 20% (2012: 20%)	**(290.330)**	(188.458)
Non-deductible expenses	**(2.173)**	(1.577)
Non-taxable income (-)	**75.575**	979
Investment incentive	**279**	-
Effect of investments accounted through equity method	**168.247**	37.018
Differences that are not subject to deferred tax	**-**	141.324
Other	**(1.312)**	(2.919)
	(49.714)	(13.633)

NOTE 32 - EARNINGS PER SHARE

	December 31, 2013	December 31, 2012
Net profit	**1.191.113**	909.396
Weighted average number of shares	**160.000.000**	160.000.000
- Earnings per share from continuing operations (full TRL)	**7,25**	5,32
- Earnings per share from assets held for sale (full TRL)	**0,19**	0,36
Earnings per share (full TRL)	**7,44**	5,68

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 33 - RELATED PARTY BALANCES AND TRANSACTIONS

33.1 Balances with Related Parties

Bank Balances with Related Parties

	December 31, 2013	December 31, 2012
ABank (1)	**67.433**	-
	67.433	-

As of December 31, 2013 time deposits in ABank, an associate of the Company, have less than 3 months term and weighted average interest rate for TRL denominated time deposits is 8,44%, for USD denominated time deposits the rate is 0,10%, for EUR denominated time deposits, the rate is 0,10%.

As of December 31, 2012 loans given by ABank to related parties amount to TRL 24.131.

33.2 Due from Related Parties

	December 31, 2013	December 31, 2012
Coca-Cola Satış ve Dağıtım A.Ş. (3)	**4.241**	1.680
Anadolu Etap Tarim Ve Gida .A.S. (3)	**1.755**	109
CJSC Moscow Efes Brewery (Russia) (3)	**1.744**	6
Anadolu Isuzu (2)	**1.172**	309
Efes Pazarlama Ticaret A.Ş. (Efpa) (3)	**743**	1.068
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (5)	**655**	900
PJSC Miller Brands (Ukraine) (3)	**614**	-
Coca-Cola İçecek A.Ş. (3)	**611**	291
JSC Brewing Union Krasny Vostok (Russia) (3)	**606**	1
Anadolu Efes (1)	**565**	1.430
JSC Efes Kazakhstan Brewery (Kazakhstan) (3)	**309**	647
ABank (1)	**252**	-
Efes Vitanta Moldova Brewery JSC (Moldova) (3)	**155**	306
Other	**2.454**	3.333
	15.876	10.080

As of December 31, 2013 there is no amount in long term portion of due from related parties (December 31, 2012: None).

(1) An associate
(2) A joint venture
(3) A Company controlled by an associate
(4) Shareholder of the Company
(5) Other

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 33 - RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

33.3 Due from Related Parties from Financing Activities

	December 31, 2013	December 31, 2012
Anadolu Etap Tarım ve Gıda A.Ş. (3)	**-**	9.517
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (5)	**-**	4
	-	9.521

As of December 31, 2012 current portion of due from related parties from financing activities amounts to TRL 3.007 and non-current portion amounts to TRL 6.514.

33.4 Due To Related Parties

	December 31, 2013	December 31, 2012
ALease (3)	**1.239**	-
Anadolu Isuzu (2)	**136**	32
Efpa (3)	**12**	12
Kamil Yazıcı Yönetim ve Danışma A.Ş. (4)	**9**	4
Dividend payable to shareholders	**-**	39
Other	**113**	10
	1.509	97

There is no long term amount of due to related parties as of December 31, 2013 (December 31, 2012: None).

33.5 Due to Related Parties from Financing Activities

	December 31, 2013	December 31, 2012
Anadolu Etap Tarım ve Gıda A.Ş. (3)	**-**	5
Anadolu Isuzu (2)	**-**	1
	-	6

As of December 31, 2012 all of the due to related parties from financing activities are short-term.

33.6 Other Payables, Due To Related Parties

	December 31, 2013	December 31, 2012
Efpa (3)	**4.582**	-
	4.582	-

(1) An associate
(2) A joint venture
(3) A Company controlled by an associate
(4) Shareholder of the Company
(5) Other

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 33 - RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

33.7 Related Party Transactions

Terms and conditions of transactions with related parties

Outstanding balances at the end of the period are unsecured and interest free. Their settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended December 31, 2013, the Group has not recorded any provisions for doubtful receivables, relating to amounts owned by related parties (December 31, 2012: None). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related parties operate.

As the details are stated in Note 27.1, the majority of the shares of ABank, which was a subsidiary of the Company, have been sold on July 18, 2013 and as of that date ABank is consolidated through equity method. Also, sales of shares of ALease, which was a subsidiary of the Company, to ABank have been completed on November 8, 2013. Therefore sales of goods and services, purchases of goods and other charges, financial income / (expense), various sales included in other income (includes dividends received) notes includes the transactions made between ABank and ALease and the Company's subsidiaries after the sales procedures were completed.

Significant transactions with related parties during the year ended as of December 31, 2013 and December 31, 2012 are as follows:

	December 31, 2013	December 31, 2012
Sales of goods and services, net		
Efpa (3)	**32.710**	23.960
Anadolu Efes (1)	**27.044**	23.236
Efes Breweries International N.V. (3)	**21.026**	45.775
Coca-Cola Satış ve Dağıtım A.Ş. (3)	**20.410**	16.497
Anadolu Isuzu (2)	**11.489**	9.594
Tarbes (3)	**5.269**	6.212
ABank (1)	**4.522**	-
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (5)	**2.550**	2.186
Ana Gıda (2)	**1.715**	1.732
Other	**10.089**	6.132
	136.824	135.324

	December 31, 2013	December 31, 2012
Purchases of goods and other charges		
Anadolu Eğitim ve Sosyal Yardım Vakfı (5)	**3.549**	2.104
Anadolu Isuzu (2)	**1.374**	1.400
Other	**690**	164
	5.613	3.668

(1) An associate
(2) A joint venture
(3) A Company controlled by an associate
(4) Shareholder of the Company
(5) Other

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 33 - RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

33.7 Related Party Transactions (cont'd)

	December 31, 2013	December 31, 2012
Interest and other financial income (banking) (*)		
Anadolu Etap Tarim Ve Gida .A.S. (3)	**870**	1.106
Anadolu Isuzu (2)	**159**	845
Ana Gıda (2)	**115**	63
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (5)	**49**	123
Kamil Yazıcı Yönetim ve Danışma A.Ş. (4)	**28**	152
Anadolu Efes (1)	**2**	470
Other	**170**	241
	1.393	3.000

	December 31, 2013	December 31, 2012
Interest and other financial expenses (banking) (*)		
Anadolu Efes (1)	**1.628**	17.816
Coca-Cola İçecek A.Ş. (3)	**1.130**	4.671
Tarbes (3)	**1.065**	3.312
Özilhan Sınai Yatırım A.Ş. (5)	**636**	1.798
Anadolu Isuzu (2)	**549**	677
Other	**1.043**	4.984
	6.051	33.258

(*) ABank's and ALease's, which were the subsidiaries of the Company, sale processes were completed respectively at July 18, 2013 and November 8, 2013 as the details are stated in Note 27.1, therefore interest and other financial income (banking) and interest and financial expenses (banking) consist of transactions of ABank and ALease till the date of their sale processes were completed.

	December 31, 2013	December 31, 2012
Financial Income / (Expense), Net		
ABank (1)	**1.058**	**-**
	1.058	**-**

(1) An associate
(2) A joint venture
(3) A Company controlled by an associate
(4) Shareholder of the Company
(5) Other

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 33 - RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

33.7 Related Party Transactions (cont'd)

	December 31, 2013	December 31, 2012
Various sales included in other income (includes dividends received)		
ABank (1)	**997**	-
Efpa (3)	**343**	341
Coca-Cola Satış ve Dağıtım A.Ş. (3)	**248**	1.015
AYatırım (3)	**188**	-
Ana Gıda (2)	**43**	46
Polinas (5)	**12**	51
Coca-Cola İçecek A.Ş. (3)	**11**	10
Anadolu Isuzu (2)	**210**	-
Other	**129**	159
	2.181	1.622

	December 31, 2013	December 31, 2012
Interest and other financial expenses (non-banking)		
Anadolu Efes (1)	**-**	3
	-	3

Compensation of Key Management Personnel of the Group

Group has defined the key management personnel as follows; the managers directly reporting to the general manager and board of directors, in ABank, which was an associate up to July 18, 2013, the board of directors, general manager and the assistant general manager, and the board of directors and general managers in the rest of the subsidiaries.

The details of benefits provided to the key management personnel for the years ended on December 31, 2013 and December 31, 2012 are as follows:

	December 31, 2013	December 31, 2012
Short term benefits provided to key management personnel	**36.658**	32.911
Post-employment benefits	**134**	561
Total gain	**36.792**	33.472
Social Security employer share	**491**	586

Other

The Company and its subsidiaries other than McDonald's, Hamburger and AYO are obligated to donate 1% - 5% of their profit before corporate tax and such fiscal obligations to Anadolu Eğitim ve Sosyal Yardım Vakfı as stated in the entities' foundation agreements as long as these donations are exempt from tax. As of December 31, 2013, donations amount to TRL 3.550 (December 31, 2012: TRL 2.215).

(1) An associate
(2) A joint venture
(3) A Company controlled by an associate
(4) Shareholder of the Company
(5) Other

NOTE 34 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

General

Non-Banking

The Group's principal financial instruments comprise bank borrowings, finance leases, and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, price risk, credit risk, and liquidity risk. The Group manages these risks as stated below. The Group also monitors the market price risk arising from all financial instruments.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 34 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Non-Banking (cont'd)

Credit Risk

Financial instruments have a counterparty risk as they may not fulfill requirements of the agreement. The Group's credit risk mostly arises in Turkey where the Company predominantly operates.

The Group manages credit risk by constantly evaluating the credibility of the related parties and by determining counterparty credit limits and due dates based on customer. Group also receives collaterals from customers as needed.

As of December 31, 2012 and 2013 details of maximum credit risk exposure and aging of assets overdue but not impaired are stated below:

December 31, 2013	**Receivables**					
	Trade Receivables		**Other Receivables**			
	Related Party	**Other Party**	**Related Party**	**Other Party**	**Deposits in banks**	**Derivative financial instruments**
Maximum credit risk exposure as of reporting date (A+B+C+D+E)	**15.876**	**169.177**	**-**	**74.828**	**1.182.814**	**26.411**
- Maximum risk secured by guarantee	-	100.884	-	-	-	-
A. Net book value of financial assets neither overdue nor impaired	15.876	159.859	-	74.260	1.182.814	26.411
B. Net book value of financial assets of which conditions are negotiated, otherwise considered as impaired or overdue	-	-	-	-	-	-
C. Net book value of assets overdue but not impaired	-	8.355	-	568	-	-
- Under guarantee	-	4.551	-	-	-	-
D. Net book value of impaired assets	-	963	-	-	-	-
- Overdue (gross book value)	-	2.968	-	15.253	-	-
- Impairment (-)	-	(2.005)	-	(15.253)	-	-
- Net value under guarantee	-	963	-	-	-	-
- Not overdue (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Net value under guarantee	-	-	-	-	-	-
E. Off- balance sheet items having credit risk	-	-	-	-	-	-

December 31, 2012	Receivables					
	Trade Receivables		Other Receivables			
	Related Party	Other Party	Related Party	Other Party	Deposits in banks	Derivative financial instruments
Maximum credit risk exposure as of reporting date (A+B+C+D+E) (*)	10.080	168.728	-	38.036	157.010	-
- Maximum risk secured by guarantee	-	101.509	-	100	-	-
A. Net book value of financial assets neither overdue nor impaired	10.080	162.293	-	37.467	157.010	-
B. Net book value of financial assets of which conditions are negotiated, otherwise considered as impaired or overdue	-	-	-	-	-	-
C. Net book value of assets overdue but not impaired	-	6.401	-	569	-	-
- Under guarantee	-	2.844	-	100	-	-
D. Net book value of impaired assets	-	34	-	-	-	-
- Overdue (gross book value)	-	1.895	-	14.782	-	-
- Impairment (-)	-	(1.861)	-	(14.782)	-	-
- Net value under guarantee	-	34	-	-	-	-
- Not overdue (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Net value under guarantee	-	-	-	-	-	-
E. Off- balance sheet items having credit risk	-	-	-	-	-	-

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 34 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Non-Banking (cont'd)

Credit Risk (cont'd)

The collateral amounting to TRL 100.884 that belongs to the guaranteed part of trade receivables as of December 31, 2013 consists of a letter of guarantee amounting to TRL 55.995, a DBS (direct billing system) guarantee amounting to TRL 31.080, a mortgage amounting to TRL 13.064, a collateral bill amounting to TRL 720 and a guarantee cheque amounting to TRL 25. (December 31, 2012: letter of guarantee: TRL 51.942; DBS guarantee: TRL 48.278; mortgage: TRL 828; collateral bill: TRL 436; guarantee check: TRL 25).

December 31, 2013	**Receivables**				
	Trade receivables		**Other receivables**		
	Related party	**Other party**	**Related party**	**Other party**	**Deposits in banks**
1-30 days past due	-	**4.148**	-	-	-
1-3 month past due	-	**420**	-	-	-
3-12 month past due	-	**4.410**	-	-	-
1-5 year past due	-	**340**	-	-	-
Over 5 years past due	-	-	-	**568**	-
Amount secured with guarantee	-	**5.514**	-	-	-

December 31, 2012	Receivables				
	Trade receivables		Other receivables		
	Related party	Other party	Related party	Other party	Deposits in banks
1-30 days past due	-	4.434	-	-	-
1-3 month past due	-	1.215	-	-	-
3-12 month past due	-	478	-	-	-
1-5 year past due	-	308	-	569	-
Over 5 years past due	-	-	-	-	-
Amount secured with guarantee	-	2.878	-	100	-

Foreign currency risk

The Group predominantly operates in Turkey.

The following table summarizes the exchange rate of Turkish Lira to 1 USD and 1 EUR:

		Exchange buying rate at December 31, 2012	**Average exchange buying rate in the period**	**Exchange buying rate at December 31, 2013**
TRL /USD	Turkey	1,7826	1,8982	2,1343
TRL /EUR	Turkey	2,3517	2,5222	2,9365

The Group does not hedge investments, receivables, accounts payables, lease obligations and borrowings denominated in a foreign currency. The Group does not hedge their estimated foreign currency exposure in respect of sales and purchases.

Foreign currency risk arises from the EUR, USD, GBP, JPY, CAD, NOK denominated assets and liabilities of the Group. The Group has transactional currency exposures. Such exposures arise from sales or purchases or borrowings by the Group in currencies other than the Group's functional currency. The Group manages foreign currency risk by using natural hedges that arise from offsetting foreign currency denominated assets and liabilities.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 34 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Non-Banking (cont'd)

Foreign Currency Risk (cont'd)

31.12. 2013	TRL Equivalent (Functional currency)	Thousand USD	Thousand EUR	Thousand GBP	Thousand JPY
1. Trade receivables	4.800	612	1.190	-	-
2a. Monetary financial assets (cash and cash equivalents included)	1.013.795	458.477	12.009	1	-
2b. Non - monetary financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Current assets (1+2+3)	**1.018.595**	**459.089**	**13.199**	**1**	**-**
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-
6b. Non - monetary financial assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Non - current assets (5+6+7)	**-**	**-**	**-**	**-**	**-**
9. Total assets (4+8)	**1.018.595**	**459.089**	**13.199**	**1**	**-**
10. Trade payables	7.699	3.574	23	1	-
11. Short - term borrowings and current portion of long - term borrowings	277.784	33.909	69.951	-	-
12a. Monetary other liabilities	16.468	-	5.608	-	-
12b. Non - monetary other liabilities	-	-	-	-	-
13. Current liabilities (10+11+12)	**301.951**	**37.483**	**75.582**	**1**	**-**
14. Trade payables	-	-	-	-	-
15. Long - term borrowings	555.327	142.171	85.779	-	-
16a. Monetary other liabilities	9.943	-	3.386	-	-
16b. Non - monetary other liabilities	-	-	-	-	-
17. Non - current liabilities (14+15+16)	**565.270**	**142.171**	**89.165**	**-**	**-**
18. Total liabilities (13+17)	**867.221**	**179.654**	**164.747**	**1**	**-**
19. Off balance sheet derivative items' net asset / (liability) position (19a-19b)	**-**	**-**	**-**	**-**	**-**
19a. Total hedged assets	-	-	-	-	-
19b. Total hedged liabilities	-	-	-	-	-
20. Net foreign currency asset / (liability) position (9-18+19)	**151.374**	**279.435**	**(151.548)**	**-**	**-**
21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	**151.374**	**279.435**	**(151.548)**	**-**	**-**
22. Total fair value of financial instruments used to manage the foreign currency position	-	-	-	-	-
23. Export	**24.652**	**3.898**	**6.841**	**-**	**-**
24. Import	**578.499**	**33.538**	**203.884**	**154**	**7.331**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 34 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

<u>Non-Banking</u> (cont'd)

Foreign Currency Risk (cont'd)

31.12. 2012	TRL Equivalent (Functional currency)	Thousand USD	Thousand EUR	Thousand GBP	Thousand JPY
1. Trade receivables	2.860	532	813	-	-
2a. Monetary financial assets (cash and cash equivalents included)	37.696	21.076	7	38	-
2b. Non - monetary financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Current assets (1+2+3)	40.556	21.608	820	38	-
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-
6b. Non - monetary financial assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Non - current assets (5+6+7)	-	-	-	-	-
9. Total assets (4+8)	40.556	21.608	820	38	-
10. Trade payables	537	172	98	-	-
11. Short - term borrowings and current portion of long - term borrowings	163.139	23.919	51.240	-	-
12a. Monetary other liabilities	40	16	5	-	-
12b. Non - monetary other liabilities	-	-	-	-	-
13. Current liabilities (10+11+12)	163.716	24.107	51.343	-	-
14. Trade payables	-	-	-	-	-
15. Long - term borrowings	196.051	84.763	19.115	-	-
16 a. Monetary other liabilities	-	-	-	-	-
16 b. Non - monetary other liabilities	-	-	-	-	-
17. Non - current liabilities (14+15+16)	196.051	84.763	19.115	-	-
18. Total liabilities (13+17)	359.767	108.870	70.458	-	-
19. Off balance sheet derivative items' net asset / (liability) position (19a-19b)	-	-	-	-	-
19a. Total hedged assets	-	-	-	-	-
19b. Total hedged liabilities	-	-	-	-	-
20. Net foreign currency asset / (liability) position (9-18+19)	(319.211)	(87.262)	(69.638)	38	-
21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	(319.211)	(87.262)	(69.638)	38	-
22. Total fair value of financial instruments used to manage the foreign currency position	-	-	-	-	-
23. Export	18.556	4.091	20.671	-	-
24. Import	462.901	43.041	212.334	101	48

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 34 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Non-Banking (cont'd)

Foreign Currency Risk (cont'd)

	Foreign currency position sensitivity analysis	
	December 31, 2013	
	Income / (loss)	**Income /(loss)**
	Increase of the foreign currency	**Decrease of the foreign currency**
Change in the USD against TRL by 10% +/-:		
1- USD denominated net asset / liability	59.640	(59.640)
2- USD denominated hedging instruments(-)	-	-
3- Net effect in USD (1+2)	**59.640**	**(59.640)**
Change in the EUR against TRL by 10% +/-:		
4- Euro denominated net asset / liability	(44.502)	44.502
5- Euro denominated hedging instruments(-)	2.641	(2.641)
6- Net effect in Euro (4+5)	**(41.861)**	**41.861**
Change in the other foreign currencies against TRL by 10% +/-:		
7- Other foreign currency denominated net asset / liability	-	-
8- Other foreign currency hedging instruments(-)	-	-
9- Net effect in other foreign currency (7+8)	-	-
TOTAL (3+6+9)	**17.779**	**(17.779)**

	Foreign currency position sensitivity analysis	
	December 31, 2012	
	Income / (loss)	Income /(loss)
	Increase of the foreign currency	Decrease of the foreign currency
Change in the USD against TRL by 10% +/-:		
1- USD denominated net asset / liability	(15.555)	15.555
2- USD denominated hedging instruments(-)	-	-
3- Net effect in USD (1+2)	(15.555)	15.555
Change in the EUR against TRL by 10% +/-:		
4- Euro denominated net asset / liability	(16.376)	16.376
5- Euro denominated hedging instruments(-)	1	(1)
6- Net effect in Euro (4+5)	(16.375)	16.375
Change in the other foreign currencies against TRL by 10% +/-:		
7- Other foreign currency denominated net asset / liability	11	(11)
8- Other foreign currency hedging instruments(-)	-	-
9- Net effect in other foreign currency (7+8)	11	(11)
TOTAL (3+6+9)	(31.919)	31.919

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 34 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Non-Banking (cont'd)

Interest Rate Risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. The Group manages interest rate risk by using natural hedges that arise from offsetting interest rate of assets and liabilities or derivative financial instruments.

Certain parts of the interest rates related to borrowings are based on market interest rates; therefore the Group is exposed to interest rate fluctuations on domestic and international markets. The Group's exposure to market risk for changes in interest rates relates primarily to the Group's debt obligations.

Interest position table		**December 31, 2013**	December 31, 2012
	Financial instruments with fixed interest rate		
Financial assets	Financial assets at fair value through profit & loss	-	621
	Available for sale marketable securities	-	-
Financial liabilities		**831.656**	465.407
	Financial instruments with floating interest rate		
Financial assets		-	-
Financial liabilities		**347.726**	138.314

The table below shows the effect of a 1% increase in interest rates, on floating rate credits in profit before tax basis.

	Effect on profit before tax	
Interest Increase	**December 31, 2013**	December 31, 2012
1% increase	**487**	264

Liquidity Risk

Liquidity risk arises from the possibility that customers may not be able to settle within the normal terms of trade. To manage this risk the Group periodically assesses the financial liability of customers. Liquidity risk arises from the possibility that a market for derivatives may not exist in some circumstances.

December 31, 2013

Maturities according to agreement	**Book Value**	**Total cash outflow according to agreement (=I+II+III+IV)**	**Less than 3 months (I)**	**3 to 12 months (II)**	**1 to 5 years (III)**	**More than 5 years (IV)**
Non-derivative financial liabilities	**1.393.252**	**1.523.775**	**427.750**	**285.114**	**635.695**	**175.216**
Borrowings	1.179.382	1.309.796	219.480	280.145	634.955	175.216
Financial lease payables	-	-	-	-	-	-
Trade payables	176.908	177.017	175.900	387	730	-
Other payables	36.962	36.962	32.370	4.582	10	-

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 34 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Non-Banking (cont'd)

Liquidity Risk (cont'd)

December 31, 2012

Maturities according to agreement	Book Value	Total cash outflow according to agreement (=I+II+III+IV)	Less than 3 months (I)	3 to12 months (II)	1 to 5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities	732.865	761.790	252.156	261.122	176.139	72.373
Borrowings	603.721	632.321	122.743	261.076	176.129	72.373
Financial lease payables	-	-	-	-	-	-
Trade payables	106.135	106.204	106.158	46	-	-
Other payables	23.009	23.265	23.255	-	10	-

Capital Risk Management

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

NOTE 35 – FINANCIAL INSTRUMENTS

35.1 Derivative Financial Instruments

Banking

In the ordinary course of business, the Group enters into various types of transactions that involve derivative financial instruments. A derivative financial instrument is a financial contract between two parties where payments are dependent upon movements in price in one or more underlying financial instruments, reference rates or indices. Derivative financial instruments include forwards, swaps, futures and options.

The table below shows the favorable (assets) and unfavorable (liabilities) fair values of derivative financial instruments together with the notional amounts analyzed by the term to maturity. The notional amount is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at year-end and are neither indicative of the market risk nor credit risk.

The fair value of derivative financial instruments is calculated by using forward exchange rates at the balance sheet date. In the absence of reliable forward foreign currency market rates and reliable forward rate estimations in a volatile market, values of foreign currency forward and swap transactions are determined by comparing the period end foreign exchange rates with the forward rates discounted to the balance sheet date.

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 35 – FINANCIAL INSTRUMENTS (cont'd)

35.1 Derivative Financial Instruments (cont'd)

Banking

31.12.2012		Fair values	
	Contract / Notional amount	Assets	Liabilities
Derivatives held for trading			
Foreign exchange derivatives:			
Currency forwards	322.471	565	1.369
Currency swaps	1.268.377	7.383	12.116
OTC currency options	1.670.540	4.560	4.242
Interest rate swaps	442.208	-	3.088
Marketable security option	71.104	-	207
Total derivatives held for trading	3.774.700	12.508	21.022
Short term		8.054	20.005
Long term		4.454	1.017
		12.508	21.022

Non-Banking

Fair Value Hedge Accounting

Çelik Motor, a subsidiary of the Group, started to apply fair value hedge accounting from 1 January, 2012. Çelik Motor hedges its foreign exchange risk on commitments to provide operational leasing services resulting from off balance sheet foreign currency denominated operating lease receivables (hedged item) with foreign currency denominated loans (hedging instrument). Fair value changes resulting from the exchange risk of the hedged item has been accounted in "derivative financial instruments" as an asset or liability on the balance sheet, current year fair value changes has been accounted for under foreign exchange gain/losses in "financial income/expense" accounts in the statement of income, prior period's fair value changes has been accounted under "revenue". Fair value of derivative financial instruments as of December 31, 2013 is as follows:

		December 31, 2013		December 31, 2012	
		Fair values		Fair values	
	Contract / Notional amount	**Assets**	**Liabilities**	Assets	Liabilities
Derivatives held for hedging:					
Receivables from operating leases	**352.508**	**26.411**	**-**	-	1.064
	352.508	**26.411**	**-**	-	1.064
Short term		**16.468**	**-**	-	1.028
Long term		**9.943**	**-**	-	36
		26.411	**-**	-	1.064

The Group documented the relationship between hedging instruments and hedged items at the beginning of the hedge transaction and also documented risk management objectives and the strategy for performing a variety of hedging transactions. Group, both at the beginning of the process of hedging transaction and on a regular basis of the hedging transaction, documented the assessment whether instruments used in hedging transactions are effective in high-level balancing changes in values of hedged items.

NOTE 35 – FINANCIAL INSTRUMENTS (cont'd)

35.1 Derivative Financial Instruments (cont'd)

Non-Banking (cont'd)

Fair Value Hedge Accounting

Although the Group's functional currency is Turkish Lira, due to a significant portion of lease receivables denominated in foreign currencies, the Group is exposed to currency risk. Lease receivables represented in Turkish Lira. As a result, changes in exchange rates affect both the Group's financial position and net income.

In accordance with the Group's currency risk strategy, currency risk arising from future operating lease receivables has been taken under protection with foreign currency loans.

Type of hedging relationship is fair value hedges. The Group's currency risk arising from operating lease receivables based on the commitments to provide operating leasing has been begun to take under protection with foreign currency loans as of January 1, 2012.

Derivatives held for trading

The Group has option agreements for January 2, 2014-November 14, 2014 period. As of December 31, 2013 the Group has TRL 233 liability for the related agreements. (December 31, 2012: None)

35.2 Fair Values

Since cash and cash equivalents, trade receivables, other current assets, trade payables and other payables are of short term; their fair values are the same with their values in the balance sheet.

Investments are recorded with their carrying values due to the lack of determined market values and inefficiency of other methods on determining fair values.

Short-term and long term lease obligations are identical with their carrying values in the balance sheet since they are in foreign currencies and revalued as of year-end.

The methods and assumptions used to determine the fair values of financial assets and liabilities

The fair values of financial lease receivables are calculated by discounting their cash flows to the present value by using current market rates.

The fair values of held to maturity financial assets are calculated based on their market prices.

The fair values of other assets and liabilities are calculated by discounting their cash flows to the present value by using current market rates (current libor rates).

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 35 – FINANCIAL INSTRUMENTS (cont'd)

35.2 Fair Values (cont'd)

	December 31, 2013		December 31, 2012	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Financial Assets				
Financial investments	**10.617**	**10.617**	25.221	25.221
Held to maturity financial assets	-	-	1.045.707	1.074.978
Banking loans	-	-	5.131.742	5.040.621
Financial lease receivables	-	-	337.817	337.818
	10.617	**10.617**	6.540.487	6.478.638
Financial Liabilities				
Borrowings	**1.179.382**	**1.268.959**	799.845	864.124
Deposits from other banks	-	-	1.436.925	1.436.925
Customer deposits	-	-	4.116.277	4.088.394
Funds borrowed	-	-	1.549.170	1.533.043
	1.179.382	**1.268.959**	7.902.217	7.922.486

Fair value measurements

Level 1: Market price valuation techniques for the determined financial instruments traded in markets (unadjusted)

Level 2: Other valuation techniques including direct or indirect observable inputs

Level 3: Valuation techniques which does not contain observable market inputs

	December 31, 2013	**Level 1**	**Level 2**	**Level 3**
Financial assets at fair value through profit and loss	**8.965**	**8.965**	-	-
Available for sale financial assets	-	-	-	-
Derivative financial assets	**26.411**	-	**26.411**	-
Derivative financial liabilities	**233**	-	**233**	-

	December 31, 2012	Level 1	Level 2	Level 3
Financial assets at fair value through profit and loss	53.897	53.897	-	-
Available for sale financial assets	783.046	783.046	-	-
Derivative financial assets	12.508	-	12.508	-
Derivative financial liabilities	22.086	-	22.086	-

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 36 – DISCLOSURES OF INTERESTS IN OTHER ENTITIES

The summary financial information of the associates of the Company, of which non-controlling interest is at considerable level, is presented below:

	December 31, 2013			
Subsidiary	Non-controlling interest %	Profit/loss allocated to non-controlling interest	Accumulated non-controlling interest	Dividend paid to non-controlling interest
AEH	**32%**	**235.844**	**751.360**	**-**

	December 31, 2012			
Subsidiary	Non-controlling interest %	Profit/loss allocated to non-controlling interest	Accumulated non-controlling interest	Dividend paid to non-controlling interest
AEH	32%	94.213	506.601	-

Summary financial information for the related associate is presented below:

Summary balance sheet:	**AEH**	AEH
	December 31, 2013	December 31, 2012
Current Assets	**1.638.626**	6.171.033
Non-Current Assets	**2.263.488**	3.924.619
Total Assets	**3.902.114**	10.095.652
Short-Term Borrowings	**479.444**	508.770
Other Current Liabilities	**241.179**	6.987.310
Long-Term Borrowings	**699.938**	291.075
Other Non-Current Liabilities	**52.931**	565.820
Total Liabilities	**1.473.492**	8.352.975
Net Assets	**2.428.622**	1.742.677
Attributable to:		
Non-controlling interests	**80.621**	159.548
Net assets of the equity holders of the parent	**2.348.001**	1.583.129

Summary income statement:	**AEH**	AEH
	2013	2012
Revenue	**1.630.927**	1.423.926
Net Income	**763.783**	317.235
Non-controlling interests	**26.772**	22.820
Equity holders of the parent	**737.011**	294.415

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 36 – DISCLOSURES OF INTERESTS IN OTHER ENTITIES (cont'd)

Summary cash flow:	**AEH**	AEH
	December 31, 2013	December 31, 2012
Net cash provided by operating activities	**1.921**	34.560
Net cash provided by / (used in) investing activities	**545.738**	(153.773)
Net cash provided by financing activities	**406.436**	240.877
Net increase in cash and cash equivalents	**979.881**	117.597
Cash and cash equivalent at the beginning of the period	**583.866**	466.269
Total cash and cash equivalent at the end of the period	**1.114.121**	112.858

NOTE 37 - SUBSEQUENT EVENTS

1) AEH Anadolu Gayrimenkul Yatırımları A.Ş, a subsidiary of the Company has signed a contractor agreement on March 3, 2014 for its tangible located at Ataşehir İlçesi, İçerenköy Mahallesi, 3126 block, 145 parcel for the "AND Kozyatağı" project's construction and for the related engineering works to be done with Tepe İnşaat Sanayi A.Ş. All the official authorizations have been completed for the A+ project that will have 73.000 square meters construction and 35.000 square meters rentable space.

2) In the Board of Director's Meeting dated January 20, 2014 Adel, a subsidiary of the Company, has decided to contribute to the capital increase amounting to RUB 52.000.000 with 50% participation amounting to RUB 26.000.000 of Faber Castell Anadolu LLC that is established based on the minute of Board of Director's Meeting dated July 25, 2011 and paid the related amount on January 21, 2014.

3) Based on the "Cooperation and Partnership Agreement" signed between AEH and Paravani Energy B.V. (PEBV), subsidiaries of the Company, it is decided that AEH will sell common stocks of Anadolu Kafkasya, a subsidiary of the Company, in the amount that represents 6,1% of Anadolu Kafkasya's capital to PEBV for USD 3.500.000 in cash and lump sum.

4) It is decided that GUE's capital will be increased by USD 10.000.000 and that the full amount will be paid by GUE's shareholder Anadolu Kafkasya, a subsidiary of the Company.

5) Yazıcılar's Corporate Governance Rating has been revised as 8.50 (85.02) by SAHA Corporate Governance and Credit Rating Services Inc. as of March 03, 2014. The breakdown of our revised rating in terms of principal rating areas is as follows;

   Shareholders (weight 25%) : 84,12
   Public Disclosure and Transparency (weight 25%): 86,05
   Stakeholders (weight 15%): 88,00
   Board of Directors (weight 35%): 83,64
   Total: 85,02

   The relevant change was due to the revision of the 2013 Corporate Governance Ratings of all companies in the context of the revised rating principles, in accordance with the decisions taken at the Capital Markets Board's meeting dated February 01, 2013, numbered 4/105. According to revised rating principles, weights that are used for Corporate Governance Principles are determined as follows; for "Shareholders" 25%, for "Public Disclosure and Transparency" 25%, for "Stakeholders" 15% and for "Board of Directors" 35%. Additionally, if the minimal requirements of an article have been fulfilled, the maximum rating that can be achieved from that article will be the 85% of the full point. When a minimal requirement has been specified in the article, if the company practices are higher than the minimal requirement, its rating from that article is being approached to the full point, based on the feature of the good corporate governance practice.

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