

(Convenience translation of financial statements originally issued in Turkish)

## **Aygaz Anonim Őirketi and Subsidiaries**

**January 1 – March 31, 2013 interim condensed  
consolidated financial statements**

(Convenience translation of financial statements originally issued in Turkish)

**Aygaz Anonim Şirketi and Subsidiaries**

**Table of contents**

	<b><u>Page</u></b>
Interim consolidated balance sheet	1 - 2
Interim consolidated income statement	3
Interim consolidated comprehensive income statement	4
Interim consolidated changes in equity	5
Interim consolidated cash flow statement	6
Disclosures related to interim condensed consolidated financial statements	7 - 41

(Convenience translation of financial statements originally issued in Turkish)

**Aygaz Anonim Şirketi and Subsidiaries**

**Consolidated balance sheet as at March 31, 2013**

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

<b>Assets</b>	<b>Notes</b>	<b>Current period</b>	<b>Prior period</b>
		<b>(Not reviewed)</b>	<b>(Audited-restated)</b>
		<b>March 31,</b>	<b>December 31,</b>
		<b>2013</b>	<b>2012</b>
<b>Current assets</b>			
Cash and cash equivalents	4	<b>160.852</b>	125.365
Other financial assets	7	<b>85</b>	-
Trade receivables		<b>354.025</b>	303.609
-Due from related parties	20	<b>18.370</b>	15.241
-Other trade receivables	8	<b>335.655</b>	288.368
Other receivables		<b>7.014</b>	3.929
Inventories	9	<b>247.971</b>	216.803
Other current assets	15	<b>52.862</b>	46.260
<b>Total current assets</b>		<b>822.809</b>	695.966
<b>Non-current assets</b>			
Trade receivables	8	<b>6.393</b>	5.087
Other receivables		<b>32.822</b>	32.811
Financial investments	5	<b>317.258</b>	317.258
Investments accounted under equity method	10	<b>1.238.792</b>	1.230.191
Property, plant and equipment	11	<b>583.264</b>	591.434
Intangible assets	12	<b>33.729</b>	35.145
Deferred tax asset	19	<b>109</b>	72
Other non-current assets	15	<b>44.888</b>	48.291
<b>Total non-current assets</b>		<b>2.257.255</b>	2.260.289
<b>Total assets</b>		<b>3.080.064</b>	2.956.255

The accompanying accounting policies and notes presented between pages 7 and 41 form an integral part of these consolidated financial statements.

(Convenience translation of financial statements originally issued in Turkish)

## Aygaz Anonim Şirketi and Subsidiaries

### Consolidated balance sheet as at March 31, 2013

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

		Current period (Not reviewed)	Prior period (Audited-restated)
		March 31, 2013	December 31, 2012
<b>Liabilities</b>	<b>Notes</b>		
<b>Short term liabilities</b>			
Financial borrowings	6	7.133	5.810
Other financial liabilities	7	-	135
Trade payables		322.070	268.580
- Due to related parties	20	91.188	118.120
- Other trade payables	8	230.882	150.460
Other payables	14	2.697	14.116
Current tax liabilities	19	6.679	3.459
Provision for other liabilities		2.377	2.377
Other short term liabilities	15	187.455	151.001
<b>Total short term liabilities</b>		<b>528.411</b>	<b>445.478</b>
<b>Long term liabilities</b>			
Other payables	14	71.582	70.696
Provision for employment termination benefits		20.837	19.901
Deferred tax liabilities	19	37.944	39.645
<b>Total non-current liabilities</b>		<b>130.363</b>	<b>130.242</b>
<b>Equity</b>			
Share capital	16	300.000	300.000
Inflation adjustment to share capital	16	71.504	71.504
Adjustment to share capital		(7.442)	(7.442)
Valuation fund on financial assets		213.653	213.653
Currency translation adjustment		1.018	1.024
Restricted reserves		307.846	307.846
Risk hedge fund		(2.501)	(3.095)
Retained earnings		1.496.522	1.191.612
Net profit for the period		40.148	304.910
<b>Equity attributable to equity holders of the parent</b>		<b>2.420.748</b>	<b>2.380.012</b>
Non-controlling interests		542	523
<b>Total equity</b>		<b>2.421.290</b>	<b>2.380.535</b>
<b>Total liabilities and equity</b>		<b>3.080.064</b>	<b>2.956.255</b>

The accompanying accounting policies and notes presented between pages 7 and 41 form an integral part of these consolidated financial statements.

(Convenience translation of financial statements originally issued in Turkish)

**Aygaz Anonim Şirketi and Subsidiaries**

**Consolidated income statement**

**for the three month interim period ended March 31, 2013**

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

		<b>Current period (Not reviewed)</b>	Prior period (Not Reviewed)
	<b>Notes</b>	<b>January 1 - March 31, 2013</b>	January 1 - March 31, 2012
Sales revenue (net)		<b>1.376.749</b>	1.393.572
Cost of sales (-)		<b>(1.259.395)</b>	(1.278.063)
<b>Gross profit</b>		<b>117.354</b>	115.509
Marketing, sales and distribution expenses (-)		<b>(49.072)</b>	(47.403)
General administrative expenses (-)		<b>(32.672)</b>	(26.379)
Research and development expenses (-)		<b>(697)</b>	(291)
Other operating income		<b>5.654</b>	9.085
Other operating expenses (-)		<b>(1.203)</b>	(486)
<b>Operating profit</b>		<b>39.364</b>	50.035
Profit / (loss) from investments accounted under equity method	10	<b>6.334</b>	40.490
Finance income	18	<b>9.382</b>	28.130
Finance expense (-)	18	<b>(9.667)</b>	(14.368)
<b>Profit before tax</b>		<b>45.413</b>	104.287
<b>Tax income / (expense)</b>			
- Current tax expense for the period	19	<b>(6.984)</b>	(15.080)
- Deferred tax income	19	<b>1.738</b>	3.198
<b>Net profit for the period</b>		<b>40.167</b>	92.405
<b>Profit attributable to:</b>			
Minority interest		<b>19</b>	(4)
Parent company		<b>40.148</b>	92.409
<b>Earnings per share (TL)</b>	17	<b>0,133827</b>	0,308030

The accompanying accounting policies and notes presented between pages 7 and 41 form an integral part of these consolidated financial statements.

(Convenience translation of financial statements originally issued in Turkish)

**Aygaz Anonim Şirketi and Subsidiaries**

**Consolidated comprehensive income statement  
for the three month interim period ended March 31, 2013**

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

	<b>Current period (Not reviewed)</b>	Prior period (Not reviewed)
	<b>January 1 - March 31, 2013</b>	January 1 - March 31, 2012
<b>Profit for the period</b>	<b>40.167</b>	92.405
<b>Other comprehensive income / (loss):</b>		
Change in financial hedge fund	<b>594</b>	1.688
Change in currency translation reserve	<b>(6)</b>	(312)
<b>Other comprehensive income (after tax)</b>	<b>588</b>	1.376
<b>Total comprehensive income</b>	<b>40.755</b>	93.781
<b>Attributable to:</b>		
Non-controlling interest	<b>19</b>	(4)
Parent company	<b>40.736</b>	93.785
	<b>40.755</b>	93.781

The accompanying accounting policies and notes presented between pages 7 and 41 form an integral part of these consolidated financial statements.

(Convenience translation of financial statements originally issued in Turkish)

**Aygaz Anonim Şirketi and Subsidiaries**

**Consolidated statement of changes in equity**

**for the three month interim period ended March 31, 2013**

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

	Share capital	Inflation adjustments of share capital	Adjustment to share capital	Valuation fund on financial assets	Currency translation reserve	Restricted reserves	Financial risk hedging reserve	Retained earnings	Net profit for the period	Equity attributable to equity holders of the parent	Non-controlling interest	Total equity
Balance as of January 1, 2012 – previously reported	300.000	71.504	(7.442)	144.407	1.312	384.230	(6.483)	886.954	379.697	2.154.179	452	2.154.631
Change in accounting policy – IAS 19 (Note 2.2)	-	-	-	-	-	-	-	(44)	44	-	-	-
Balance as of January 1, 2012 - restated	300.000	71.504	(7.442)	144.407	1.312	384.230	(6.483)	886.910	379.741	2.154.179	452	2.154.631
Transfers from retained earnings	-	-	-	-	-	-	-	379.741	(379.741)	-	-	-
Transfers to reserves	-	-	-	-	-	(89.884)	-	89.884	-	-	-	-
Transfers with minority shares	-	-	-	-	-	-	-	-	-	-	36	36
Comprehensive income / (loss) for the period	-	-	-	-	(312)	-	1.688	-	92.409	93.785	(4)	93.781
Balance as of March 31, 2012	300.000	71.504	(7.442)	144.407	1.000	294.346	(4.795)	1.356.535	92.409	2.247.964	484	2.248.448
<b>Balance as of January 1, 2013 – previously reported</b>	<b>300.000</b>	<b>71.504</b>	<b>(7.442)</b>	<b>213.653</b>	<b>1.024</b>	<b>307.846</b>	<b>(3.095)</b>	<b>1.193.035</b>	<b>303.487</b>	<b>2.380.012</b>	<b>523</b>	<b>2.380.535</b>
<b>Change in accounting policy – IAS 19 (Note 2.2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1.423)</b>	<b>1.423</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as of January 1, 2013 - restated</b>	<b>300.000</b>	<b>71.504</b>	<b>(7.442)</b>	<b>213.653</b>	<b>1.024</b>	<b>307.846</b>	<b>(3.095)</b>	<b>1.191.612</b>	<b>304.910</b>	<b>2.380.012</b>	<b>523</b>	<b>2.380.535</b>
Transfers from retained earnings	-	-	-	-	-	-	-	304.910	(304.910)	-	-	-
Comprehensive income / (loss) for the period	-	-	-	-	(6)	-	594	-	40.148	40.736	19	40.755
Balance as of March 31, 2013	300.000	71.504	(7.442)	213.653	1.018	307.846	(2.501)	1.496.522	40.148	2.420.748	542	2.421.290

The accompanying accounting policies and notes presented between pages 7 and 41 form an integral part of these consolidated financial statements.

(Convenience translation of financial statements originally issued in Turkish)

## Aygaz Anonim Şirketi and Subsidiaries

### Consolidated cash flow statement

for the three month interim period ended March 31, 2013

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

		Current period (Not reviewed)	Prior period (Not reviewed)
	Notes	January 1 - March 31, 2013	January 1 - March 31, 2012
<b>Cash flows from operating activities</b>			
Net income before tax		45.413	104.287
Adjustments to reconcile net income before tax to net cash provided by operating activities:			
Income from equity participations	10	(6.334)	(40.490)
Depreciation of property, plant and equipment	11	19.329	18.067
Depreciation of intangible assets	12	1.416	1.415
Sundry provisions	15	31.935	(303)
Provision for impairment of financial assets	5	-	(9)
Provision for retirement pay		1.273	1.600
Profit of sale of tangible/intangible assets (net)		(409)	(1.219)
Allowance for doubtful receivables		190	91
Forward expenses	18	-	520
Forward income	18	(85)	-
Interest income	18	(1.847)	(6.811)
Interest expense	18	228	-
<b>Operating cash flow before changes in working capital</b>		<b>91.109</b>	<b>77.148</b>
<b>Changes in working capital:</b>			
Trade receivables		(48.783)	(64.532)
Due from related parties	20	(3.129)	3.022
Inventories	9	(31.168)	(7.310)
Other receivables and current assets		(9.770)	(8.402)
Trade payables	8	80.422	114.313
Due to related parties	20	(26.932)	25.791
Other payables and liabilities	7, 14, 15	(7.035)	(30.090)
Other non current receivables and payables	14	4.278	4.421
<b>Net cash generated from operating activities</b>		<b>48.992</b>	<b>114.361</b>
Income taxes paid	15, 19	(3.764)	(7.151)
Retirement pay paid		(339)	(826)
<b>Net cash generated from operations</b>		<b>44.889</b>	<b>106.384</b>
<b>Cash flows from investing activities</b>			
Interest received	18	1.847	6.811
Share capital increase of subsidiary	1	(1.679)	-
Purchases for property, plant and equipment	11	(11.499)	(22.392)
Purchases for intangible assets	12	-	(29)
Proceeds of sale of tangible/intangible assets		749	1.836
<b>Net cash used in investing activities</b>		<b>(10.582)</b>	<b>(13.774)</b>
<b>Cash flows from financing activities</b>			
Interest paid	18	(228)	-
Forward expenses	18	-	(520)
Forward income	18	85	-
Changes in financial borrowings	6	1.323	5.450
<b>Net cash generated by / (used in) financing activities</b>		<b>1.180</b>	<b>4.930</b>
Net increase / (decrease) in cash and cash equivalents		35.487	97.540
Cash and cash equivalents at the beginning of the period	4	125.365	254.302
Cash and cash equivalents at the end of the period	4	160.852	351.842

The accompanying accounting policies and notes presented between pages 7 and 41 form an integral part of these consolidated financial statements.



## **Aygaz Anonim Şirketi and Subsidiaries**

### **Notes to consolidated financial statements**

**As of March 31, 2013**

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

#### **1. Organization and operations of the Company**

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

The Company is registered at the Capital Markets Board of Turkey ("CMB") since 1961 and as of March 31, 2013 24,27% of its shares have been quoted at the Borsa İstanbul.

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

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

As of March 31, 2013, number of personnel of Aygaz and its subsidiaries (together with referred to as "the Group") is 1.427 (December 31, 2012: 1.413).

#### **Subsidiaries**

Mogaz Petrol Gazları A.Ş. ("Mogaz"), a subsidiary of the Company, is a LPG distribution company. In September 2012, the Company has purchased shares with a nominal amount of TL 4 from natural persons and raised Group's effective control to 100%. Registration procedures regarding the merger of Aygaz, with Mogaz Petrol Gazları A.Ş., 100% owned subsidiary through a whole take-over of all assets and liabilities reflected in the balance sheet dated June 30, 2012, were completed on January 22, 2013 and the merger process has been completed.

Akpa Dayanıklı Tüketim LPG ve Akaryakıt Ürünleri Pazarlama A.Ş. ("Akpa") reached to its current structure with the merger of four subsidiaries of Koç Holding Energy Group at the end of 2001. Before the merger, four companies were operating separately from each other in Bursa, Eskişehir, Ankara and Antalya. At the time of merger the company name was Bursa Gaz ve Ticaret A.Ş., later it was changed to "Akpa Dayanıklı Tüketim Lpg ve Akaryakıt Ürünleri Pazarlama Anonim Şirketi" with the decision of Ordinary General Meeting held on March 17, 2005. Akpa is mainly engaged in sales of cylinders through its own organization and dealers, retail and wholesale of LPG, fuel and lubricants through autogas stations and sale of durable goods. In October 2012, the Company has purchased shares with a nominal amount of TL 4 from natural persons and raised Group's effective control to 100%.

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

## Aygaz Anonim Şirketi and Subsidiaries

### Notes to consolidated financial statements (continued)

As of March 31, 2013

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

#### 1. Organization and operations of the Company (continued)

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

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

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

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

#### Investments in associates

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

**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to consolidated financial statements (continued)**

**As of March 31, 2013**

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

**1. Organization and operations of the Company (continued)**

Entek, operates as electricity producer with its 3 facilities in Bursa, İzmit and İstanbul. In 2009, 15,51% of shares were purchased by the Group and this purchase raised Group's effective control to 86,01%. In 2010, related with the purchase of Mogaz shares stated in subsidiaries section, the Group's effective control on Entek has been raised to 86,09%. As explained in detail in note 3, Group had decided to sell 49,62% shares of Entek, which was the Group's subsidiary with 86,09% ownership, to AES Mont Blanc Holdings B.V. Accordingly with the sale of shares realized on February 28, 2011, the Group's effective control has decreased to 36,47% and classified as joint venture and accounted with proportionate consolidation method. The business name of the company has been changed to AES Entek Elektrik Üretimi A.Ş. ("AES Entek"). In the Board of Directors meeting held on August 2, 2011, the Group had decided to sell its 166.034.110 shares, amounting to TL 8.302 thousand, representing 8,39% of shares of AES Entek Elektrik Üretimi A.Ş. with nominal value of 5 Kr. to Koç Holding A.Ş. in exchange of USD 25.299 thousand, in cash. The sales transaction has been finalized in October 2011. Additionally, shares of the Group's subsidiary Mogaz with a nominal value of TL 3.238 thousand, representing 3,27% of AES Entek Elektrik Üretimi A.Ş. had been sold to Koç Holding A.Ş. in October 2011 in exchange of USD 9.869 thousand, in cash. After these share transactions, Group's effective control on AES Entek has decreased to 24,81%. Accordingly, AES Entek has been accounted with equity method in accompanying consolidated financial statements beginning from October 7, 2011. Eltek Elektrik Enerjisi İthalat İhracat ve Toptan Ticaret A.Ş. ("Eltek"), was established at the end of 2003 with 46% participation of Entek Elektrik Üretimi A.Ş. ("Entek") and mainly engaged in wholesale, purchase, export and import of electricity. In July 2010, Entek has purchased 54% of Eltek's shares by paying TL 1.836 thousand and accordingly the effective control has increased to 100%. After sale of Entek shares mentioned below, Group's effective control on Eltek has decreased to 24,81%. As a result of its search for new investments, AES Entek has established a company named Seymenoba Elektrik Üretimi A.Ş. in January 2012 to produce energy by using natural gas in Kırıkkale. Moreover, in May 2012 AES Entek has purchased 50% shares of Ayas Enerji Üretimi ve Ticaret A.Ş., established in Adana, from OYAK Group and become a shareholder of the coal fired power plant to be built. Finally, AES Entek has purchased three hydroelectric power plants named Kumköy, Kepezkaya and Damlapınar owned by AES Mont Blanc Holdings B.V. in December 20, 2012. After these purchases, energy production capacity of the Company has increased to 364 MW. Aygaz, according to the decision of Ordinary General Meeting of AES Entek Elektrik Üretimi A.Ş. ("AES Entek") regarding the increase of AES Entek's share capital from TL 98.919 thousand to TL 402.000 thousand, regarding its percentage of ownership in AES Entek, has received TL 750 thousand shares as bonus shares and has netted off TL 72.759 thousand from its preemptive right with the shareholder loan provided to AES Entek which was declared in the public disclosure dated December 19, 2012. The preemptive right of the balance amounting to TL 1.679 thousand will be paid in cash in the 24 month period after the registration of the General Meeting. The balance amounting to TL 1.679 has been paid within March 2013.

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

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

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

(Convenience translation of financial statements originally issued in Turkish)

## **Aygaz Anonim Şirketi and Subsidiaries**

### **Notes to consolidated financial statements (continued)**

**As of March 31, 2013**

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

#### **1. Organization and operations of the Company (continued)**

##### Approval of financial statements

The consolidated financial statements as of and for the year ended March 31, 2013 are approved in the Board of Directors meeting held on May 14, 2013 to be published and are signed by Assistant General Manager (Finance) Gökhan Tezel and Subsidiaries and Accounting Director Nurettin Demirtaş.

#### **2. Basis of presentation of financial statements**

The Group's condensed consolidated financial statements for the period ended on March 31, 2013 are prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting Standards".

Interim condensed consolidated financial statements do not include all of the disclosures required in year end financial statements and should be evaluated with the Group's financial statements as of December 31, 2012.

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

##### **2.1 Basis of presentation for consolidated financial statements**

The Group maintains its books of account in accordance with the commercial code, tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance in Turkish Lira (TL).

Capital Market Board of Turkey ("CMB") published a comprehensive set of accounting principles in accordance with the Decree Serial: XI, No: 29 on "The Decree for Capital Markets Accounting Standards". This decree is applicable for the first interim financial statements ended subsequent to January 1, 2008 period. The supplementary decree Serial: XI, No: 29 was issued as an amendment to Decree Serial: XI, No: 25 and states that, the financial statements will be prepared in accordance with the International Financial Reporting Standards ("IAS/IFRS") as conceded by the European Union (EU). IAS/IFRS will be applied till the time the differences between the IAS/IFRS and the Turkish Accounting/Financial Reporting Standards ("TAS/TFRS") are declared by the Turkish Accounting Standards Committee (TASC) (In November 2011 TASB has been dismissed and its responsibilities are transferred to Public Oversight Accounting and Auditing Standards Authority) declares the differences between the IFRS as adopted by the EU and the IFRS as adopted by the International Accounting Standards Board (IASB). Therefore, the TAS/TFRS which are in complaint with the applied standards will be adopted.

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

## **Aygaz Anonim Şirketi and Subsidiaries**

### **Notes to consolidated financial statements (continued)**

**As of March 31, 2013**

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

## **2. Basis of presentation of financial statements (continued)**

### **2.2 Changes in accounting policies**

Changes to the accounting policies are applied retrospectively and the prior period's financial statements are restated accordingly.

The Company has adopted the amendments in IAS 19, which basically requires all actuarial gains and losses to be recognized immediately through other comprehensive income in order to reflect any change in the liability recognized in the consolidated statement of financial position, and has retrospectively applied related changes in its financial statements dated March 31, 2013. In this respect, the Company evaluated the monetary impact of this accounting policy change on the financial statements for the years ended December 31, 2011 and December 31, 2012 and has restated prior year financial statements accordingly

Other than the adoption of the amendments of IAS 19, the Group did not make any major changes to accounting policies during the current year.

### **2.3 The new standards, amendments and interpretations**

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

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

#### **IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendment)**

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

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

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

## **Aygaz Anonim Şirketi and Subsidiaries**

### **Notes to consolidated financial statements (continued)**

**As of March 31, 2013**

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

## **2. Basis of presentation of financial statements (continued)**

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

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

### **IAS 19 Employee Benefits (Amended)**

Numerous changes or clarifications are made under the amended standard. Among these numerous amendments, the most important changes are removing the corridor mechanism, for determined benefit plans recognizing actuarial gain/(loss) under other comprehensive income and making the distinction between short-term and other long-term employee benefits based on expected timing of settlement rather than employee entitlement. The Group used to recognize the actuarial gain and loss in profit and loss statement before this amendment. The retrospective effects of the amendment to recognize actuarial gain and loss in the comprehensive income statement are disclosed in Note 2.2. Additionally, based on the amendment in the presentation of short term employee benefits, it did not have an impact on the financial position of the Group, as it is foreseen that such vacation will be used in the next year.

### **IAS 27 Separate Financial Statements (Amended)**

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

### **IAS 28 Investments in Associates and Joint Ventures (Amended)**

As a consequential amendment to IFRS 11 and IFRS 12, the IASB also amended IAS 28, which has been renamed IAS 28 Investments in Associates and Joint Ventures, to describe the application of the equity method to investments in joint ventures in addition to associates. Transitional requirement of this amendment is similar to IFRS 11. This amendment did not have an impact on the financial position or performance of the Group.

### **IFRS 10 Consolidated Financial Statements**

IFRS10, IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. A new definition of control is introduced, which is used to determine which entities are consolidated. This is a principle based standard and require preparers of financial statements to exercise significant judgment. This amendment will not have an impact on the financial position or performance of the Group.

### **IFRS 11 Joint Arrangements**

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

(Convenience translation of financial statements originally issued in Turkish)

## **Aygaz Anonim Şirketi and Subsidiaries**

### **Notes to consolidated financial statements (continued)**

**As of March 31, 2013**

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

## **2. Basis of presentation of financial statements (continued)**

### **IFRS 12 Disclosure of Interests in Other Entities**

IFRS 12 includes all of the requirements that are related to disclosures of an entity's interests in subsidiaries, joint arrangements, associates and structured entities. Apart from the disclosures regarding the significant issues and transactions in the interim period, disclosures according to the new standards are not applicable to interim periods so the Group did not provide this disclosure in the interim period.

### **IFRS 13 Fair Value Measurement**

The new Standard provides guidance on how to measure fair value under IFRS but does not change when an entity is required to use fair value. It is a single source of guidance under IFRS for all fair value measurements. The new standard also brings new disclosure requirements for fair value measurements. The new disclosures are only required for periods beginning after IFRS 13 is adopted. Some of the disclosures about the financial instruments mentioned above, have to be provided in the interim condensed consolidated financial statements according to IAS 34.16 A (j). The Group has presented these disclosures in Note 21. This amendment did not have an impact on the interim consolidated financial statements of the Group.

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

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

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

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

### **Improvements to IFRSs**

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

#### *IAS 1 Financial Statement Presentation:*

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

#### *IAS 16 Property, Plant and Equipment:*

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

## **Aygaz Anonim Şirketi and Subsidiaries**

### **Notes to consolidated financial statements (continued)**

**As of March 31, 2013**

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

#### **2. Basis of presentation of financial statements (continued)**

##### *IAS 32 Financial Instruments: Presentation:*

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

##### *IAS 34 Interim Financial Reporting:*

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

#### **Standards issued but not yet effective and not early adopted**

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

#### **IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial liabilities (Amended)**

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

#### **IFRS 9 Financial Instruments – Classification and measurement**

As amended in December 2011, the new standard is effective for annual periods beginning on or after January 1, 2015. Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial instruments. The amendments made to IFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option (FVO) liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. Early adoption is permitted. This standard has not yet been endorsed by the EU. The Company / the Group is in the process of assessing the impact of the amendment on financial position or performance of the Group.

#### **IFRS 10 Consolidated Financial Statements (Amendment)**

IFRS 10 is amended to provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss in accordance with IFRS 9 Financial Instruments. This amendment has not yet been endorsed by the EU. The Group does not expect that this amendment will have any impact on the financial position or performance of the Company / the Group.



## Aygaz Anonim Şirketi and Subsidiaries

### Notes to consolidated financial statements (continued)

As of March 31, 2013

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

### 3. Segment information

The segmental operations are specified according to the internal reports reviewed regularly by the authority entitled to making decision for the Group's operations.

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

- Gas and petroleum products
- Electricity
- Other

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

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

	March 31, 2013				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
<b>Assets</b>					
Current assets	730.107	-	101.928	(9.226)	822.809
Non-current assets	1.837.628	-	117.942	301.685	2.257.255
<b>Total assets</b>	<b>2.567.735</b>	<b>-</b>	<b>219.870</b>	<b>292.459</b>	<b>3.080.064</b>
<b>Liabilities</b>					
Short term liabilities	479.757	-	57.880	(9.226)	528.411
Long term liabilities	120.666	-	7.065	2.632	130.363
Equity	1.967.312	-	154.925	299.053	2.421.290
<b>Total liabilities and equity</b>	<b>2.567.735</b>	<b>-</b>	<b>219.870</b>	<b>292.459</b>	<b>3.080.064</b>
<b>Investments accounted under equity method</b>	<b>1.064.517</b>	<b>174.275</b>	<b>-</b>	<b>-</b>	<b>1.238.792</b>
	December 31, 2012				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
<b>Assets</b>					
Current assets	650.134	-	103.803	(57.971)	695.966
Non-current assets	2.014.916	-	118.783	126.590	2.260.289
<b>Total assets</b>	<b>2.665.050</b>	<b>-</b>	<b>222.586</b>	<b>68.619</b>	<b>2.956.255</b>
<b>Liabilities</b>					
Short term liabilities	464.050	-	39.399	(57.971)	445.478
Long term liabilities	120.615	-	6.306	3.321	130.242
Equity	2.080.385	-	176.881	123.269	2.380.535
<b>Total liabilities and equity</b>	<b>2.665.050</b>	<b>-</b>	<b>222.586</b>	<b>68.619</b>	<b>2.956.255</b>
<b>Investments accounted under equity method</b>	<b>1.056.685</b>	<b>173.506</b>	<b>-</b>	<b>-</b>	<b>1.230.191</b>

**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to consolidated financial statements (continued)**

**As of March 31, 2013**

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

**3. Segment information (continued)**

For the period ended March 31, 2013 and 2012, income statements according to industrial segments are as follows:

	January 1 - March 31, 2013				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Sales revenue (net)	1.322.677	-	84.246	(30.174)	1.376.749
Cost of sales (-)	(1.216.984)	-	(73.211)	30.800	(1.259.395)
<b>Gross profit / (loss)</b>	<b>105.693</b>	<b>-</b>	<b>11.035</b>	<b>626</b>	<b>117.354</b>
Marketing, sales and distribution expenses (-)	(45.741)	-	(3.331)	-	(49.072)
General administrative expenses (-)	(28.900)	-	(3.964)	192	(32.672)
Research and development expenses (-)	(697)	-	-	-	(697)
Other operating income	31.509	-	543	(26.398)	5.654
Other operating expenses (-)	(1.089)	-	(114)	-	(1.203)
<b>Operating profit / (loss)</b>	<b>60.775</b>	<b>-</b>	<b>4.169</b>	<b>(25.580)</b>	<b>39.364</b>
Profit / (loss) from investments accounted under equity method	-	-	-	6.334	6.334
Finance income	8.528	-	844	10	9.382
Finance expense (-)	(9.029)	-	(638)	-	(9.667)
<b>Profit / (loss) before tax</b>	<b>60.274</b>	<b>-</b>	<b>4.375</b>	<b>(19.236)</b>	<b>45.413</b>
Income tax expense for the period	(6.766)	-	(218)	-	(6.984)
Deferred tax income / (expense)	1.763	-	55	(80)	1.738
<b>Net profit / (loss) for the period</b>	<b>55.271</b>	<b>-</b>	<b>4.212</b>	<b>(19.316)</b>	<b>40.167</b>
<b>Attributable to:</b>					
Minority interest	19	-	-	-	19
Parent company	55.252	-	4.212	(19.316)	40.148
Investments accounted under equity method	7.244	(910)	-	-	6.334

(Convenience translation of financial statements originally issued in Turkish)

## Aygaz Anonim Şirketi and Subsidiaries

### Notes to consolidated financial statements (continued)

As of March 31, 2013

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

### 3. Segment information (continued)

	January 1 - March 31, 2012				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Sales revenue (net)	1.351.548	-	75.334	(33.310)	1.393.572
Cost of sales (-)	(1.245.026)	-	(66.747)	33.710	(1.278.063)
<b>Gross profit / (loss)</b>	<b>106.522</b>	<b>-</b>	<b>8.587</b>	<b>400</b>	<b>115.509</b>
Marketing, sales and distribution expenses (-)	(45.587)	-	(1.816)	-	(47.403)
General administrative expenses (-)	(23.917)	-	(2.722)	260	(26.379)
Research and development expenses (-)	(291)	-	-	-	(291)
Other operating income	20.609	-	503	(12.027)	9.085
Other operating expenses (-)	(663)	-	-	177	(486)
<b>Operating profit / (loss)</b>	<b>56.673</b>	<b>-</b>	<b>4.552</b>	<b>(11.190)</b>	<b>50.035</b>
Profit / (loss) from investments accounted under equity method	-	-	-	40.490	40.490
Finance income	26.401	-	1.729	-	28.130
Finance expense (-)	(12.966)	-	(1.402)	-	(14.368)
<b>Profit / (loss) before tax</b>	<b>70.108</b>	<b>-</b>	<b>4.879</b>	<b>29.300</b>	<b>104.287</b>
Income tax expense for the period (-)	(14.638)	-	(446)	4	(15.080)
Deferred tax income / (expense)	3.176	-	67	(45)	3.198
<b>Net profit / (loss) for the period</b>	<b>58.646</b>	<b>-</b>	<b>4.500</b>	<b>29.259</b>	<b>92.405</b>
<b>Attributable to:</b>					
Minority interest	-	-	-	(4)	(4)
Parent company	58.646	-	4.500	29.263	92.409
Investments accounted under equity method	41.376	(886)	-	-	40.490

The amortization and depreciation expense for the segmental assets for the period ended on March 31, 2013 and 2012 are as follows:

	January 1 - March 31, 2013	January 1 - March 31, 2012
Gas and petroleum products	<b>18.973</b>	17.811
Other	<b>1.772</b>	1.671
	<b>20.745</b>	19.482

(Convenience translation of financial statements originally issued in Turkish)

## Aygaz Anonim Şirketi and Subsidiaries

### Notes to consolidated financial statements (continued)

As of March 31, 2013

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

#### 3. Segment information (continued)

The investment expenditures for the segmental assets for the periods ended on March 31, 2013 and 2012 are as follows:

	January 1 - March 31, 2013	January 1 - March 31, 2012
Gas and petroleum products	11.387	22.052
Other	112	369
	<b>11.499</b>	<b>22.421</b>

#### 4. Cash and cash equivalents

	March 31, 2013	December 31, 2012
Cash on hand	316	232
Cash at banks	134.177	99.545
- Demand deposits	16.359	33.146
- Time deposits	117.818	66.399
Receivables from credit card transactions	26.359	25.588
<b>Total cash and cash equivalents</b>	<b>160.852</b>	<b>125.365</b>

As of March 31, 2013 the Group's TL time deposits amounting to TL 69.205 thousand have maturities of 3 days and interest rates of 6 – 6,5%; USD time deposits amounting to USD 26.479 thousand (TL 47.893 thousand) have a maturity of 3 day and interest rate of 2%; Euro time deposits amounting to Euro 300 thousand (TL 696 thousand) have a maturity of 3 days and interest rate of 0,5%. (As of December 31, 2012 the Group's TL time deposits amounting to TL 46.016 thousand have maturities of 2 – 35 days and interest rates of 6 – 8%; USD time deposits amounting to USD 11.400 thousand (TL 20.321 thousand) have a maturity of 2 days and an interest rate of 2%.)

**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to consolidated financial statements (continued)**

**As of March 31, 2013**

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

**5. Financial assets**

The long term financial assets identified as financial assets held for sale by the Group are as follows as of March 31, 2013 and December 31, 2012:

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

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

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

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

**6. Financial borrowings**

	March 31, 2013	Interest rate (%)	December 31, 2012	Interest rate (%)
Short term borrowings (TL)	7.133	-	5.810	-
<b>Total short term bank borrowings</b>	<b>7.133</b>		<b>5.810</b>	

**7. Other financial liabilities**

As of March 31, 2013, the Company has forward contracts with an average maturity of five months and nominal amount of USD 15.980 thousand. The Company reflected the fair value of such forward transactions, which amount to TL 85 thousand as of March 31, 2013, under other financial assets. (As of December 31, 2012, the Company has forward contracts with an average maturity of three months and nominal amount of USD 14.430 thousand. The Company reflected the fair value of such forward transactions, which amount to TL 135 thousand as of December 31, 2012, under other financial liabilities)

(Convenience translation of financial statements originally issued in Turkish)

## Aygaz Anonim Şirketi and Subsidiaries

### Notes to consolidated financial statements (continued)

As of March 31, 2013

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

#### 8. Trade receivables and payables

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

<b>Current trade receivables</b>	<b>March 31, 2013</b>	December 31, 2012
Trade receivables	<b>293.188</b>	251.989
Notes receivables	<b>58.086</b>	51.937
Allowance for doubtful receivables (-)	<b>(15.619)</b>	(15.558)
<b>Total current trade receivables</b>	<b>335.655</b>	288.368

  

<b>Non-current trade receivables</b>	<b>March 31, 2013</b>	December 31, 2012
Notes receivable	<b>6.393</b>	5.087
<b>Total non-current trade receivables</b>	<b>6.393</b>	5.087

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

<b>Short term trade payables</b>	<b>March 31, 2013</b>	December 31, 2012
Trade payables	<b>230.882</b>	150.460
<b>Total short term trade payables</b>	<b>230.882</b>	150.460

#### 9. Inventories

	<b>March 31, 2013</b>	December 31, 2012
Raw materials	<b>178.535</b>	159.661
Trade goods	<b>31.169</b>	20.545
Goods in transit	<b>28.622</b>	30.746
Finished goods	<b>8.318</b>	5.451
Work in process	<b>1.556</b>	629
Allowance for impairment on inventory	<b>(229)</b>	(229)
<b>Total inventories</b>	<b>247.971</b>	216.803

As of March 31, 2013, the inventories comprise of 71.183 tons of LPG (December 31, 2012: 61.647 tons).

(Convenience translation of financial statements originally issued in Turkish)

**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to consolidated financial statements (continued)**

**As of March 31, 2013**

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

**10. Equity investments**

	<b>March 31, 2013</b>		<b>December 31, 2012</b>	
	<b>Participation amount</b>	<b>Participation rate %</b>	<b>Participation amount</b>	<b>Participation rate %</b>
Enerji Yatırımları A.Ş. acquisition value	<b>669.400</b>		669.400	
Adjustment to share capital	<b>(7.442)</b>		(7.442)	
Currency translation reserve	<b>1.018</b>		1.024	
Legal reserves	<b>5.508</b>		5.509	
Financial risk hedge fund	<b>(2.501)</b>		(3.095)	
The share of the Group in the retained earnings after the acquisition date	<b>398.173</b>		390.926	
	<b>1.064.156</b>	<b>20,00%</b>	1.056.322	20,00%
AES Entek acquisition value	<b>118.930</b>		118.930	
Participation in share capital increase of equity investment	<b>74.438</b>		72.759	
The share of the Group in the retained earnings after the acquisition date	<b>(19.093)</b>		(18.183)	
	<b>174.275</b>	<b>24,81%</b>	173.506	24,81%
Zinerji Enerji Sanayi ve Tic. A.Ş. Impairment reserve (-)	<b>738</b> <b>(377)</b>		738 (375)	
	<b>361</b>	<b>56,00%</b>	363	56,00%
<b>Total</b>	<b>1.238.792</b>		1.230.191	

(Convenience translation of financial statements originally issued in Turkish)

**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to consolidated financial statements (continued)**

**As of March 31, 2013**

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

**11. Property, plant and equipment**

	Land	Land improvements	Buildings	Plant, machinery, equipment and LPG cylinders	Vehicles and vessels	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
<b>Acquisition cost</b>									
Opening balance as of January 1, 2013	16.204	109.330	69.165	1.531.572	201.546	51.601	24.109	15.512	2.019.039
Additions	-	-	-	2	81	56	36	11.324	11.499
Transfers	-	-	-	8.346	23	345	-	(8.714)	-
Disposals	-	-	-	(3.322)	(72)	(190)	-	-	(3.584)
<b>Ending balance as of March 31, 2013</b>	<b>16.204</b>	<b>109.330</b>	<b>69.165</b>	<b>1.536.598</b>	<b>201.578</b>	<b>51.812</b>	<b>24.145</b>	<b>18.122</b>	<b>2.026.954</b>
<b>Accumulated depreciation</b>									
Opening balance as of January 1, 2013	-	46.118	43.346	1.170.826	107.113	37.883	22.319	-	1.427.605
Charge of the period	-	1.004	495	14.259	2.459	937	175	-	19.329
Transfers	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(3.000)	(61)	(183)	-	-	(3.244)
<b>Ending balance as of March 31, 2013</b>	<b>-</b>	<b>47.122</b>	<b>43.841</b>	<b>1.182.085</b>	<b>109.511</b>	<b>38.637</b>	<b>22.494</b>	<b>-</b>	<b>1.443.690</b>
<b>Net book value as of March 31, 2013</b>	<b>16.204</b>	<b>62.208</b>	<b>25.324</b>	<b>354.513</b>	<b>92.067</b>	<b>13.175</b>	<b>1.651</b>	<b>18.122</b>	<b>583.264</b>



(Convenience translation of financial statements originally issued in Turkish)

**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to consolidated financial statements (continued)**

**As of March 31, 2013**

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

**11. Property, plant and equipment**

	Land	Land improvements	Buildings	Plant, machinery, equipment and LPG cylinders	Vehicles and vessels	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
<b>Acquisition cost</b>									
Opening balance as of January 1, 2012	15.531	101.381	64.535	1.487.558	229.503	49.784	22.698	17.849	1.988.839
Additions	-	-	-	3.852	321	94	64	18.061	22.392
Transfers	-	600	-	12.060	224	578	-	(13.462)	-
Disposals	-	(68)	-	(4.508)	(571)	(206)	(139)	-	(5.492)
Ending balance as of March 31, 2012	15.531	101.913	64.535	1.498.962	229.477	50.250	22.623	22.448	2.005.739
<b>Accumulated depreciation</b>									
Opening balance as of January 1, 2012	-	42.492	41.503	1.136.816	135.444	38.048	21.730	-	1.416.033
Charge of the period	-	925	457	13.552	2.076	873	184	-	18.067
Transfers	-	-	-	-	-	-	-	-	-
Disposals	-	(61)	-	(4.051)	(530)	(203)	(30)	-	(4.875)
Ending balance as of March 31, 2012	-	43.356	41.960	1.146.317	136.990	38.718	21.884	-	1.429.225
Net book value as of March 31, 2012	15.531	58.557	22.575	352.645	92.487	11.532	739	22.448	576.514

**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to consolidated financial statements (continued)**

**As of March 31, 2013**

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

**12. Intangible assets**

	<b>Rights</b>	<b>Total</b>
<b>Acquisition costs</b>		
Opening balance as of January 1, 2013	<b>52.127</b>	<b>52.127</b>
Additions	-	-
<b>Ending balance as of March 31, 2013</b>	<b>52.127</b>	<b>52.127</b>
<b>Accumulated depreciation</b>		
Opening balance as of January 1, 2013	<b>16.982</b>	<b>16.982</b>
Charge for the period	<b>1.416</b>	<b>1.416</b>
Disposals	-	-
<b>Ending balance as of March 31, 2013</b>	<b>18.398</b>	<b>18.398</b>
<b>Carrying value as of March 31, 2013</b>	<b>33.729</b>	<b>33.729</b>
	<b>Rights</b>	<b>Total</b>
<b>Acquisition costs</b>		
Opening balance as of January 1, 2012	51.323	51.323
Additions	29	29
<b>Ending balance as of March 31, 2012</b>	<b>51.352</b>	<b>51.352</b>
<b>Accumulated depreciation</b>		
Opening balance as of January 1, 2012	11.652	11.652
Charge for the period	1.415	1.415
Disposals	-	-
<b>Ending balance as of March 31, 2012</b>	<b>13.067</b>	<b>13.067</b>
<b>Carrying value as of March 31, 2012</b>	<b>38.285</b>	<b>38.285</b>

(Convenience translation of financial statements originally issued in Turkish)

**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to consolidated financial statements (continued)**

**As of March 31, 2013**

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

**13. Provisions, contingent liabilities and assets**

<b>Guarantees given</b>	<b>March 31, 2013</b>	<b>December 31, 2012</b>
Letter of guarantees given to customs for gas import	<b>30.518</b>	31.916
Other letter of guarantees given	<b>14.043</b>	13.410
<b>Total guarantees given</b>	<b>44.561</b>	45.326

**The liability for environmental pollution:**

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

**National inventory reserve liability:**

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

**Commitments of EYAŞ resulting from acquisition of TÜPRAŞ:**

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

(Convenience translation of financial statements originally issued in Turkish)

**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to consolidated financial statements (continued)**

**As of March 31, 2013**

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

**13. Provisions, contingent liabilities and assets (continued)**

The Company's guarantee, pledge and mortgage (GPM) position as at March 31, 2013 and December 31, 2012 is as follows:

	March 31, 2013				December 31, 2012			
	Euro guarantees	USD guarantees	TL guarantees	TL total	Euro guarantees	USD guarantees	TL guarantees	TL total
<b>A. GPMs given on behalf of the Company's legal personality</b>	<b>25.936</b>	<b>3.389</b>	<b>15.236</b>	<b>44.561</b>	26.303	3.341	15.682	45.326
<b>B. GPMs given in favor of subsidiaries included in full consolidation</b>	-	-	-	-	-	-	-	-
<b>C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business</b>	-	-	-	-	-	-	-	-
<b>D. Other GPM's</b>	-	-	-	-	-	-	-	-
i. - GPMs given in favor of parent company	-	-	-	-	-	-	-	-
ii. - GPMs given in favor of companies not in the scope of B and C above	-	-	-	-	-	-	-	-
iii. - GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-	-
<b>Total amount of GPM</b>	<b>25.936</b>	<b>3.389</b>	<b>15.236</b>	<b>44.561</b>	26.303	3.341	15.682	45.326

(Convenience translation of financial statements originally issued in Turkish)

## Aygaz Anonim Şirketi and Subsidiaries

### Notes to consolidated financial statements (continued)

As of March 31, 2013

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

#### 14. Other liabilities

<b>Other short term payables</b>	<b>March 31, 2013</b>	December 31, 2012
Due to personnel	2.305	13.724
Other payables	392	392
<b>Total other short term payables</b>	<b>2.697</b>	14.116

  

<b>Other long term payables</b>	<b>March 31, 2013</b>	December 31, 2012
Cylinder deposits received	71.582	70.696
<b>Total other long term payables</b>	<b>71.582</b>	70.696

#### 15. Other assets and liabilities

<b>Other current assets</b>	<b>March 31, 2013</b>	December 31, 2012
Prepaid expenses	36.864	34.602
Advances given	6.141	3.414
VAT carried forward	4.997	3.514
Fuel used in shipping operations	1.818	1.867
Income accrual	1.723	1.175
Deductable taxes and funds	42	251
Prepaid tax	-	256
Other current assets	1.277	1.181
<b>Total other current assets</b>	<b>52.862</b>	46.260

  

<b>Other non-current assets</b>	<b>March 31, 2013</b>	December 31, 2012
Prepaid expenses	44.886	48.289
Advances given for property, plant and equipment purchases	2	2
<b>Total other non-current assets</b>	<b>44.888</b>	48.291

  

<b>Other short term liabilities</b>	<b>March 31, 2013</b>	December 31, 2012
Taxes and funds payable	107.841	105.260
Expense accruals	69.291	37.356
Social security premiums payable	3.976	2.209
Other liabilities	6.347	6.176
<b>Total other short term liabilities</b>	<b>187.455</b>	151.001

(Convenience translation of financial statements originally issued in Turkish)

## Aygaz Anonim Şirketi and Subsidiaries

### Notes to consolidated financial statements (continued)

As of March 31, 2013

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

#### 16. Share capital

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

Shareholders	Participation rate	March 31, 2013	Participation rate	December 31, 2012
Koç Holding A.Ş.	40,68%	122.054	40,68%	122.054
Liquid Petroleum Gas Development Company ("LPGDC")	24,52%	73.546	24,52%	73.546
Temel Ticaret ve Yatırım A.Ş.	5,29%	15.884	5,29%	15.884
Koç Family	5,24%	15.705	5,24%	15.705
Publicly held (*)	24,27%	72.811	24,27%	72.811
<b>Nominal capital</b>	<b>100,00%</b>	<b>300.000</b>	<b>100,00%</b>	<b>300.000</b>
Inflation adjustment		71.504		71.504
<b>Adjusted capital</b>		<b>371.504</b>		<b>371.504</b>

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

#### 17. Earnings per share

	January 1, March 31, 2013	January 1, March 31, 2012
Average number of ordinary shares outstanding during the period (one thousand)	300.000	300.000
Net profit for the year attributable equity holders of the parent company	40.148	92.409
Basic earnings per thousand shares (TL)	0,133827	0,308030

(Convenience translation of financial statements originally issued in Turkish)

## Aygaz Anonim Şirketi and Subsidiaries

### Notes to consolidated financial statements (continued)

As of March 31, 2013

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

#### 18. Finance income/(expense)

Finance income for the period ended March 31, 2013 and 2012 are as follows:

	January 1- March 31, 2013	January 1- March 31, 2012
Foreign exchange translation revenue	4.289	15.054
Income generated from maturity differences of sales made on credit	2.306	6.265
Interest income	1.847	6.811
Fair value differences on forward transactions	85	-
Other	855	-
<b>Total finance income</b>	<b>9.382</b>	<b>28.130</b>

Finance expense for the periods ended March 31, 2013 and 2012 are as follows:

	January 1- March 31, 2013	January 1- March 31, 2012
Foreign exchange translation loss	(7.452)	(9.707)
Expense from maturity differences of purchases on credit	(1.629)	(4.023)
Interest expense	(228)	-
Fair value differences on forward transactions	-	(520)
Other financial expenses	(358)	(118)
<b>Total finance expense</b>	<b>(9.667)</b>	<b>(14.368)</b>

#### 19. Tax assets and liabilities

	March 31, 2013	December 31, 2012
<b>Current tax liability:</b>		
Current corporate tax provision	6.984	38.247
Less: Prepaid taxes and funds	(305)	(34.788)
	<b>6.679</b>	<b>3.459</b>
	January 1- March 31, 2013	January 1- March 31, 2012
<b>Tax expense in income statement</b>		
Current corporate tax provision	(6.984)	(15.080)
Deferred tax income	1.738	3.198
	<b>(5.246)</b>	<b>(11.882)</b>

**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to consolidated financial statements (continued)**

**As of March 31, 2013**

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

**19. Tax assets and liabilities (continued)**

**Corporate tax**

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

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

The effective rate of tax in 2013 is 20% (2012: 20%).

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate in 2013 is 20% (2012: 20%). Losses are allowed to be carried 5 years maximum to be deducted from the taxable profit of the following years. Tax carry back is not allowed.

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

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

**Income withholding tax**

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 15%. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

**Deferred tax assets and liabilities**

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between the financial statements as reported for IFRS purposes and financial statements prepared in accordance with the tax legislation. These differences arise from the differences in accounting periods for the recognition of income and expenses in accordance with IFRS and tax legislation. The rate applied in the calculation of deferred tax assets and liabilities is 20% for 2013 (2012: 20%).



(Convenience translation of financial statements originally issued in Turkish)

## Aygaz Anonim Şirketi and Subsidiaries

### Notes to consolidated financial statements (continued)

As of March 31, 2013

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

#### 19. Tax assets and liabilities (continued)

<b>Deferred tax (assets)/liabilities:</b>	<b>March 31, 2013</b>	December 31, 2012
Restatement and depreciation / amortization differences of property, plant and equipment and other intangible assets	<b>33.292</b>	33.678
Revaluation fund on financial assets	<b>11.245</b>	11.243
Valuation of inventories	<b>(1.062)</b>	141
Provision for employment termination benefits	<b>(4.099)</b>	(3.921)
Carry forward tax losses used	<b>(495)</b>	(495)
Other	<b>(1.046)</b>	(1.073)
<b>37.835</b>	<b>37.835</b>	39.573

As the entities cannot declare consolidated corporate tax, deferred tax assets of subsidiaries cannot be offset with deferred tax liabilities of other subsidiaries and presented separately.

	March 31, 2013			December 31, 2012		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Aygaz A.Ş.	(7.832)	44.265	36.433	(4.371)	37.846	33.475
Mogaz Petrol Gazları A.Ş.	-	-	-	(2.464)	7.112	4.648
Akpa A.Ş.	(313)	204	(109)	(282)	210	(72)
Aygaz Doğal Gaz	(745)	2.256	1.511	(714)	2.236	1.522
	<b>(8.890)</b>	<b>46.725</b>	<b>37.835</b>	(7.831)	47.404	39.573

Movement of deferred tax from continuing operations is as follows:

<b>Movement of deferred tax (asset) / liability:</b>	<b>January 1- March 31, 2013</b>	January 1- March 31, 2012
<b>Opening balance as of January 1</b>	<b>39.573</b>	34.541
Deferred tax expense / (income)	<b>(1.738)</b>	(3.198)
<b>Closing balance as of March 31</b>	<b>37.835</b>	31.343

**Aygaz Anonim Şirketi and Subsidiaries****Notes to consolidated financial statements (continued)  
As of March 31, 2013**

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

**20. Transactions with related parties**

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

Balances with related parties	March 31, 2013			
	Receivables		Payables	
	Trade	Non-trade	Trade	Non-trade
<b>Group companies (*)</b>				
Türkiye Petrol Rafinerileri A.Ş.	9.594	-	27.178	-
Ford Otomotiv Sanayi A.Ş.	1.681	-	-	-
Zer Merkezi Hizmetler ve Ticaret A.Ş. (**)	1.624	-	554	-
AES Entek Elektrik Üretimi A.Ş.	1.371	-	73	-
Arçelik A.Ş.	998	-	25.482	-
Tofaş Türk Otomobil Fabrikası A.Ş.	523	-	140	-
Otokar Otobüs Karoseri Sanayi A.Ş.	505	-	17	-
Tat Konserve Sanayi A.Ş.	425	-	-	-
RMK Marine Gemi Yapım San. ve Deniz Taş. İşl. A.Ş.	327	-	-	-
Opet Petrolcülük A.Ş.	264	-	31.800	-
Türk Traktör ve Ziraat Makinaları A.Ş.	260	-	-	-
Demir Export A.Ş.	159	-	-	-
Harranova Besi ve Tarım Ürünleri A.Ş.	134	-	-	-
Otokoç Otomotiv Tic. ve San. A.Ş.	104	-	1.385	-
Arçelik LG Klima San. ve Tic. A.Ş.	93	-	-	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	86	-	41	-
Palmira Turizm Ticaret A.Ş.	73	-	-	-
Marmaris Altinyunus Turistik Tesisleri A.Ş.	45	-	-	-
Altinyunus Çeşme Turistik Tesisler. A.Ş.	28	-	-	-
Koç Topluluğu Spor Klubü Derneği	20	-	1	-
Yapı Kredi Kültür Sanat Yayıncılık Tic.ve San. A.Ş.	18	-	-	-
Yapı Kredi Bankası A.Ş.	7	-	2	-
Yapı Kredi Sigorta A.Ş.	6	-	41	-
Düzyey Tüketim Malları Pazarlama A.Ş.	4	-	32	-
Setur Servis Turistik A.Ş.	4	-	161	-
Yapı Kredi Emeklilik A.Ş.	4	-	-	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	3	-	970	-
Vehbi Koç Vakfı	3	-	-	-
Beldesın Otomotiv Yan Sanayii ve Tic. A.Ş.	2	-	-	-
Küsel Ltd.Şti.	2	-	-	-
Tek-Art Kalamış ve Fenerbahçe Mar. Tur. Tes. A.Ş.	1	-	-	-
Koç Tüketici Finansmanı A.Ş.	1	-	-	-
Yapı Kredi Yatırım Menkul Değerler A.Ş.	1	-	-	-
Ram Dış Ticaret A.Ş.	-	-	1.294	-
Tanı Pazarlama ve İletişim Hizmetleri A.Ş.	-	-	597	-
Ram Sigorta Aracılık Hizmetleri A.Ş.(***)	-	-	1.314	-
Opet-Fuchs Madeni Yağ A.Ş.	-	-	30	-
Setair Hava Taşımacılığı ve Hizm. A.Ş.	-	-	58	-
East Marine	-	-	9	-
Divan Turizm İşletmeleri	-	-	9	-
	<b>18.370</b>	<b>-</b>	<b>91.188</b>	<b>-</b>

(\*) Group companies include Koç Group companies.

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

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

As of March 31, 2013; TL 310 thousand (December 31, 2012 – TL 310 thousand), which is reflected within other payables at the consolidated balance sheet, represent the dividends payables.

**Aygaz Anonim Şirketi and Subsidiaries****Notes to consolidated financial statements (continued)****As of March 31, 2013**

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

**20. Transactions with related parties (continued)**

Balances with related parties	December 31, 2012			
	Receivables		Payables	
	Trade	Non-trade	Trade	Non-trade
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	10.138	-	61.650	-
Zer Merkezi Hizmetler ve Ticaret A.Ş. (**)	1.648	-	6.372	-
Ford Otomotiv Sanayi A.Ş.	882	-	358	-
Arçelik A.Ş.	714	-	19.454	-
Otokar Otobüs Karoseri Sanayi A.Ş.	496	-	-	-
RMK Marine Gemi Yapım San. ve Deniz Taş. İşl. A.Ş.	248	-	-	-
Tofaş Türk Otomobil Fabrikası A.Ş.	241	-	47	-
Opet Petrolcülük A.Ş.	167	-	19.430	-
Demir Export A.Ş.	165	-	-	-
Türk Traktör ve Ziraat Makinaları A.Ş.	161	-	-	-
Harranova Besi ve Tarım Ürünleri A.Ş.	72	-	-	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	70	-	27	-
Koç Topluluğu Spor Klubü Derneği	61	-	3	-
Altinyunus Çeşme Turistik Tesisler. A.Ş.	37	-	-	-
AES Entek Elektrik Üretimi A.Ş.	31	-	81	-
Otokoç Otomotiv Tic. ve San. A.Ş.	29	-	858	-
Tat Konserve Sanayi A.Ş.	18	-	-	-
Yapı Kredi Kültür Sanat Yayıncılık Tic. ve San. A.Ş.	18	-	-	-
Yapı Kredi Bankası A.Ş.	12	-	21	-
Vehbi Koç Vakfı Koç Üniversitesi	9	-	6	-
Düzyer Tüketim Malları Pazarlama A.Ş.	5	-	67	-
Yapı Kredi Sigorta A.Ş.	4	-	1	-
Opet-Fuchs Madeni Yağlar	4	-	76	-
Beldesano Otomotiv Yan Sanayii ve Tic. A.Ş.	2	-	165	-
Yapı Kredi Emeklilik A.Ş.	2	-	-	-
Callus Bilgi ve İletişim Hizmetleri A.Ş.	2	-	170	-
Rahmi M.Koç Müzecilik ve Kültür Vakfı	1	-	-	-
Marmaris Altinyunus Turistik Tesisleri A.Ş.	1	-	-	-
Ark İnşaat A.Ş.	1	-	-	-
Akdeniz Akaryakıt Depolama	1	-	-	-
Yapı Kredi Spor Klubü Derneği	1	-	-	-
Ram Sigorta Aracılık Hizmetleri A.Ş.(****)	-	-	1.092	-
Setur Servis Turistik A.Ş.	-	-	266	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	2.510	-
Vehbi Koç Vakfı Amerikan Hastanesi	-	-	10	-
Tanı Pazarlama A.Ş.	-	-	1.525	-
Bilkom Bilişim Hizmetleri A.Ş.	-	-	9	-
Promena Elektronik Ticaret A.Ş.	-	-	15	-
Ram Dış Ticaret A.Ş.	-	-	3.620	-
Setair Hava Taşımacılığı ve Hizm. A.Ş.	-	-	43	-
East Marine	-	-	4	-
Oriente Klassik Giyim San.ve Tic. A.Ş.	-	-	5	-
Divan Turizm İşletmeleri	-	-	62	-
Shareholders				
Koç Holding A.Ş.	-	-	173	-
	15.241	-	118.120	-

(\*) Group companies include Koç Group companies.

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

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

**Aygaz Anonim Şirketi and Subsidiaries****Notes to consolidated financial statements (continued)****As of March 31, 2013**

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

**20. Transactions with related parties (continued)**

Transactions with related parties	January 1 – March 31, 2013			
	Purchases (Goods)	Sales (Goods)	Purchases (Service)	Sales (Service)
<b>Group Companies (*)</b>				
Türkiye Petrol Rafinerileri A.Ş.	131.344	63.609	250	-
Arçelik A.Ş.	28.270	1.051	7	-
Opet Petrolcülük A.Ş.(**)	21.651	399	631	-
Ram Dış Ticaret A.Ş.	8.740	-	11	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	2.139	6	214	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	220	9	411	-
Opet-Fuchs Madeni Yağ A.Ş.	155	4	2	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	68	40	-	-
Tanı Pazarlama ve İletişim Hizmetleri A.Ş.	11	1	315	-
East Marine	5	-	-	-
Ford Otomotiv Sanayi A.Ş.	-	3.844	-	-
Otokoç Otomotiv Tic. ve San. A.Ş.	-	128	184	-
Otokar Otobüs Karoseri Sanayi A.Ş.	-	1.168	50	-
Bilkom Bilişim Hizmetleri A.Ş.	-	1	-	-
Düzyey Tüketim Malları Pazarlama A.Ş.	-	11	92	-
Demir Export A.Ş.	-	559	-	-
Tofaş Türk Otomobil Fabrikası A.Ş.	-	1.586	1	-
Türk Traktör ve Ziraat Makinaları A.Ş.	-	826	-	-
Yapı Kredi Bankası A.Ş.	-	55	4	-
RMK Marine Gemi Yapım San. ve Deniz Taş. İşl. A.Ş.	-	375	-	-
Vehbi Koç Vakfı Koç Üniversitesi	-	-	50	-
Tat Konserve Sanayi A.Ş.	-	1.073	-	-
Harranova Besi ve Tarım Ürünleri A.Ş.	-	302	-	-
Marmaris Altinyunus Turistik Tesisleri A.Ş.	-	163	-	-
Altinyunus Çeşme Turistik Tesisler. A.Ş.	-	102	-	-
Setur Servis Turistik A.Ş.	-	10	572	-
Setair Hava Taşımacılığı ve Hizm. A.Ş.	-	-	796	-
Callus Bilgi ve İletişim Hizmetleri A.Ş.	-	-	218	-
Yapı Kredi Sigorta A.Ş.	-	9	97	-
Promena Elektronik Ticaret A.Ş.	-	-	25	-
Yapı Kredi Yatırım Menkul Değerler A.Ş.	-	2	9	-
Yapı Kredi Faktoring A.Ş.	-	1	1	-
Yapı Kredi Emeklilik A.Ş.	-	5	-	-
Ditaş A.Ş.	-	1	-	-
Tek-Art Kalamış ve Fenerbahçe Mar. Tur. Tes. A.Ş.	-	1	-	-
Üsküdar Tankercilik	-	1	-	-
Divan Turizm İşletmeleri	-	61	28	-
Yapı Kredi Finansal Kiralama A.O.	-	1	-	-
Netsel Turizm Yatırımları A.Ş.	-	1	-	-
AES Entek Elektrik Üretimi A.Ş.	-	3.655	190	-
Koç Topluluğu Spor Klubü Derneği	-	-	9	-
Koç Finansal Hizmetler A.Ş.	-	2	-	-
<b>Shareholders</b>				
Koç Holding A.Ş.	-	7	1.045	-
	<b>192.603</b>	<b>79.069</b>	<b>5.212</b>	<b>-</b>

(\*) Group companies include Koç Group companies.

(\*\*) Commission expense regarding LPG sold at Opet stations as of March 31, 2013 is TL 18.109 thousand (March 31, 2012 - TL 18.656 thousand). The commission expense mentioned above is evaluated as part of sales and accounted under income statement as sales discounts.

**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to consolidated financial statements (continued)  
As of March 31, 2013**

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

**20. Transactions with related parties (continued)**

Transactions with related parties	January 1 – March 31, 2012			
	Purchases (Goods)	Sales (Goods)	Purchases (Service)	Sales (Service)
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	136.613	57.595	234	-
Opet Petrolcülük A.Ş.	23.169	261	778	-
Arçelik A.Ş.	32.650	1.564	14	-
Ram Dış Ticaret A.Ş.	8.928	-	88	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	2.224	85	2.051	17
Opet-Fuchs Madeni Yağ A.Ş.	227	3	-	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	159	7	1.158	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	57	44	9	-
Tanı Pazarlama ve İletişim Hizmetleri A.Ş.	9	1	410	-
Koç Yapı Malzemeleri Ticaret A.Ş.	5	-	-	-
Oriente Klassik Giyim San. ve Tic.A.Ş.	1	-	-	-
Otokoç Otomotiv Tic. ve San. A.Ş.	1	539	1.107	-
Ford Otomotiv Sanayi A.Ş.	-	3.693	10	-
Palmira Turizm Ticaret A.Ş.	-	43	42	-
Demir Export A.Ş.	-	3.096	-	-
Tofaş Türk Otomobil Fabrikası A.Ş.	-	1.413	-	-
Türk Traktör ve Ziraat Makinaları A.Ş.	-	971	-	-
Yapı Kredi Bankası A.Ş.	-	70	4	-
Otokar Otobüs Karoseri Sanayi A.Ş.	-	780	-	-
R.M.K ve Mahdumları Mad. İnş.Tur.Yat. ve Tic. A.Ş.	-	495	-	-
Tat Konserve Sanayi A.Ş.	-	67	-	-
Vehbi Koç Vakfı Koç Üniversitesi	-	76	55	-
Vehbi Koç Vakfı Amerikan Hastanesi	-	3	-	-
Harranova Besi ve Tarım Ürünleri A.Ş.	-	122	-	-
Marmaris Altinyunus Turistik Tesisleri A.Ş.	-	153	-	-
Altinyunus Çeşme Turistik Tesisler. A.Ş.	-	229	-	-
Tek-Art Kalamış ve Fenerbahçe Mar. Tur. Tes. A.Ş.	-	1	-	-
Setur Servis Turistik A.Ş.	-	9	640	-
Düzye Tüketim Malları Pazarlama A.Ş.	-	9	109	-
Koç Tüketici Finansmanı A.Ş.	-	2	-	-
THY Opet Havacılık Yakıtları A.Ş.	-	4	-	-
Setair Hava Taşımacılığı ve Hizm. A.Ş.	-	-	879	-
Callus Bilgi ve İletişim Hizmetleri A.Ş.	-	4	267	-
Ark İnşaat A.Ş.	-	2	-	-
Promena Elektronik Ticaret A.Ş.	-	-	37	-
Yapı Kredi Yatırım Menkul Değerler A.Ş.	-	2	10	-
Yapı Kredi Faktoring A.Ş.	-	1	3	-
Yapı Kredi Sigorta A.Ş.	-	9	59	-
Vehbi Koç Vakfı	-	1	-	-
East Marine	-	-	1	-
Yapı Kredi Emeklilik A.Ş.	-	6	-	-
Katron A.Ş. (**)	-	1	-	-
Bilkom Bilişim Hizmetleri A.Ş.	-	1	-	-
Ditaş A.Ş.	-	1	-	-
Akdeniz Akaryakıt Depolama	-	2	-	-
Beykoz Tankercilik	-	1	-	-
Rahmi M. Koç Müzecilik ve Kültür Vakfı	-	2	-	-
Yapı Kredi Finansal Kiralama A.O.	-	1	-	-
Netsel Turizm Yatırımları A.Ş.	-	1	-	-
AES Entek Elektrik Üretimi A.Ş.	-	3	131	-
Shareholders				
Koç Holding A.Ş.	-	6	863	-
	204.043	71.379	8.959	17

(\*) Group companies include Koç Group companies.

(\*\*) Katron has been sold to a non-group company in 2012 and is not a group company from 2012 on.

**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to consolidated financial statements (continued)**

**As of March 31, 2013**

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

**20. Transactions with related parties (continued)**

January 1 – March 31, 2013				
Tangible asset and rent transactions with related parties	Rent income	Rent expense	Fixed asset purchases	Fixed asset sales
<b>Group companies (*)</b>				
Opet Petrolcülük A.Ş.	112	5	-	-
Zinerji Enerji Sanayi ve Ticaret A.Ş.	1	-	-	-
Otokoç Otomotiv Tic. ve San. A.Ş.	-	931	39	-
Yapı Kredi Bankası A.Ş.	-	48	-	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	160	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	-	-	11	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	-	-	2	-
	113	984	212	-

January 1 – March 31, 2012				
Tangible asset and rent transactions with related parties	Rent income	Rent expense	Fixed asset purchases	Fixed asset sales
<b>Group companies (*)</b>				
Opet Petrolcülük A.Ş.	105	4	-	-
Otokoç Otomotiv Tic. ve San. A.Ş.	-	25	100	-
Yapı Kredi Bankası A.Ş.	-	48	-	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	411	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	-	-	7	353
Koçtaş Yapı Marketleri Tic. A.Ş.	-	-	2	-
<b>Shareholders</b>				
Temel Ticaret ve Yatırım A.Ş.	-	15	-	-
	105	92	520	353

January 1 – March 31, 2013				
Financial and other transactions with related parties	Financial income	Financial expense	Other income	Other expense
<b>Group companies (*)</b>				
Yapı Kredi Bankası A.Ş.	1.734	503	-	-
AES Entek Elektrik Üretimi A.Ş.	845	-	-	-
	2.579	503	-	-

(\*) Group companies include Koç Group companies.

January 1 – March 31, 2012				
Financial and other transactions with related parties	Financial income	Financial expense	Other income	Other expense
<b>Group companies (*)</b>				
Yapı Kredi Bankası A.Ş.	4.894	2.052	-	-
Yapı Kredi Sigorta A.Ş.	-	520	-	-
	4.894	2.572	-	-

(Convenience translation of financial statements originally issued in Turkish)

## Aygaz Anonim Şirketi and Subsidiaries

### Notes to consolidated financial statements (continued)

As of March 31, 2013

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

#### 20. Transactions with related parties (continued)

Cash at banks	March 31, 2013	December 31, 2012
<b>Group companies (*)</b>		
Yapı Kredi Bankası A.Ş.	106.842	76.894
<b>Credit card receivables</b>	<b>March 31, 2013</b>	<b>December 31, 2012</b>
<b>Group companies (*)</b>		
Yapı Kredi Bankası A.Ş.	20.294	20.442

(\*) Group companies include Koç Group companies.

#### Benefits paid to board of directors and executives

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

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

Total of the benefit provided to senior management of the Group as of March 31, 2013 is TL 1.584 thousand (March 31, 2012: TL 1.221 thousand).

#### 21. Nature and level of risk derived from financial instruments

##### Financial risk factors

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

##### Foreign currency risk management

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

**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to consolidated financial statements (continued)**

**As of March 31, 2013**

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

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

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

<b>March 31, 2013</b>	<b>Total TL equivalent</b>	<b>TL equivalent of USD</b>	<b>TL equivalent of Euro</b>	<b>TL equivalent of other</b>
1. Trade receivables	25.555	25.156	399	-
2.a Monetary financial assets	49.818	48.457	1.159	202
2.b Non monetary financial assets	-	-	-	-
3. Other	-	-	-	-
<b>4. Current assets</b>	-	-	-	-
5. Trade receivables	-	-	-	-
6.a Monetary financial assets	-	-	-	-
6.b Non monetary financial assets	-	-	-	-
7. Other	-	-	-	-
<b>8. Non current assets</b>	-	-	-	-
<b>9. Total assets</b>	<b>75.373</b>	<b>73.613</b>	<b>1.558</b>	<b>202</b>
10. Trade payables	(162.242)	(159.844)	(2.364)	(34)
11. Financial liabilities	-	-	-	-
12.a Other monetary financial liabilities	-	-	-	-
12.b Other non monetary financial liabilities	-	-	-	-
<b>13. Current liabilities</b>	<b>(162.242)</b>	<b>(159.844)</b>	<b>(2.364)</b>	<b>(34)</b>
14. Trade payables	-	-	-	-
15. Financial liabilities	-	-	-	-
16.a Other monetary financial liabilities	-	-	-	-
16.b Other non monetary financial liabilities	-	-	-	-
<b>17. Non current liabilities</b>	-	-	-	-
<b>18. Total liabilities</b>	<b>(162.242)</b>	<b>(159.844)</b>	<b>(2.364)</b>	<b>(34)</b>
19. Net asset / liability position of off balance sheet asset and liabilities (19a-19b)	28.900	28.900	-	-
19.a Total foreign currency amount of off-balance sheet derivative financial assets	28.900	28.900	-	-
19.b Total foreign currency amount of off-balance sheet derivative financial liabilities	-	-	-	-
<b>20. Net foreign currency asset / liability position</b>	<b>(57.969)</b>	<b>(57.331)</b>	<b>(806)</b>	<b>168</b>
<b>21. Net foreign currency asset / liability position of monetary items (1+2a+6a+10+11+12a+14+15+16a)</b>	<b>(57.969)</b>	<b>(57.331)</b>	<b>(806)</b>	<b>168</b>
22. Fair value of foreign currency hedged financial assets	-	-	-	-
24. Hedged foreign currency assets	-	-	-	-
25. Hedged foreign currency liabilities	-	-	-	-
26. Export	184.791	182.430	2.361	-
27. Import	563.070	558.731	4.183	156

The Group manages its foreign currency risk by regularly considering and reflecting the foreign exchange rate changes in the determination of product prices. As of March 31, 2013, the Group has LPG amounting to TL 111.558 thousand (December 31, 2012 TL 110.739 thousand).



**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to consolidated financial statements (continued)**

**As of March 31, 2013**

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

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

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

**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to consolidated financial statements (continued)**

**As of March 31, 2013**

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

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

Currency forward agreements

Currency forward agreements which are valid as of March 31, 2013 and December 31, 2012 are summarized at the tables below:

						March 31, 2013
Maturity	Parity	Type of contract	Transaction	Total amount	Currency	
1 to 3 months	1,8010 – 1,8264	Forward	Sells TL, buys USD	14.460	USD	
3 to 6 months	1,8319	Forward	Sells TL, buys USD	1.520	USD	

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

Fair value of financial instruments

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

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

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

Financial assets / (liabilities)	Level of fair value as of reporting date			
	March 31, 2013	1st Level	2nd Level	3rd Level
Available-for-sale financial assets (*)	316.694	32	316.662	-
Forward transactions	85	-	85	-

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

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

**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to consolidated financial statements (continued)**

**As of March 31, 2013**

(Amounts are expressed as thousand Turkish Lira (TL) unless otherwise stated, other currencies are also expressed in thousands unless otherwise stated)

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

**Information for reflecting financial assets and liabilities at fair value:**

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

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

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

*Financial assets*

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

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

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

*Financial Liabilities*

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

**22. Events after balance sheet date**

At the Shareholders' Ordinary General Assembly held at April 3, 2013, the Company has decided to distribute dividend over year 2012 distributable profit amounting to TL 300.000 thousand after deducting the general reserve amounting to TL 28.500 thousand;

- a cash dividend payment at the rate of 100,00%, which corresponds to Kr 1 in gross and net cash dividend for the shares with a nominal value of Kr 1 gross = net to institutional shareholders who are full taxpayers or limited liable taxpayers and obtain dividends through a business or permanent representative in Turkey.
- Kr 1 in gross and Kr 0,85 net cash dividend to other shareholders.

According to this decision, the Company has started dividend payments on April 9, 2013

- The sales process of a bond by private placement and/or by sale to a qualified investor without public listing, with a nominal value of TL 150.000 thousand and with a maturity of 700 days have been completed as of April 18, 2013.