

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

Aygaz Anonim Őirketi and Subsidiaries

January 1 – June 30, 2013 interim consolidated financial statements together with independent auditor's review report

Aygaz Anonim Şirketi and Subsidiaries

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

**Review report on the interim consolidated financial statements
for the period January 1 – June 30, 2013**

To the Shareholders of Aygaz Anonim Şirketi:

Introduction

We have reviewed the accompanying condensed consolidated balance sheet of Aygaz Anonim Şirketi (“Aygaz” or “the Company”) and its subsidiaries (together will be referred to as “the Group”) as of June 30, 2013 and related condensed consolidated profit or loss and other comprehensive income statement, consolidated statement of changes in equity and consolidated cash flow statement for the six month period then ended. Group management is responsible for the preparation and presentation of these interim consolidated financial statements in accordance with Turkish Accounting Standard No 34 (TAS 34) issued by Public Oversight, Accounting and Auditing Standards Authority (POA). Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements are not prepared, in all material respects, in accordance with Turkish Accounting Standard No 34 (TAS 34).

Additional paragraph for convenience translation to English

As disclosed in Note 2, in the accompanying consolidated financial statements the accounting principles applied (defined as CMB Financial Reporting Standards) differ from International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board with respect to the application of inflation accounting which was ceased to apply one year earlier than IFRS and the presentation of the basic financial statements and the notes to them. Accordingly, the accompanying consolidated financial statements are not intended to present the consolidated financial position and results of operations in accordance with IFRS.

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

Erdem Tecer, SMMM
Partner

August 6, 2013
İstanbul, Turkey

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

Aygaz Anonim Şirketi and Subsidiaries

Condensed consolidated balance sheet

as at June 30, 2013

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

Assets	Notes	Current period	Restated
		(Reviewed)	Prior period
		June 30, 2013	December 31, 2012
Current assets		745.152	692.473
Cash and cash equivalents	4	105.433	125.365
Trade receivables		404.546	303.609
-Trade receivables from related parties	18	23.901	15.241
-Trade receivables from third parties	8	380.645	288.368
Other receivables		3.085	3.929
-Other receivables from third parties		3.085	3.929
Derivative financial instruments	7	1.182	-
Inventories	9	177.506	213.310
Prepaid expenses		43.999	38.021
Assets related to current year tax		39	507
Other current assets		9.362	7.732
Non-current assets		2.265.562	2.263.782
Financial investments	5	324.160	317.258
Trade receivables		7.415	5.087
-Trade receivables from third parties	8	7.415	5.087
Other receivables		75	32.811
-Other receivables from related parties		-	32.750
-Other receivables from third parties		75	61
Investments accounted under equity method	10	1.274.399	1.230.191
Property, plant and equipment	11	581.153	594.927
Intangible assets	12	32.331	35.145
-Other intangible assets		32.331	35.145
Prepaid expenses		45.897	48.291
Deferred tax asset	17	132	72
Total assets		3.010.714	2.956.255

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

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

Aygaz Anonim Şirketi and Subsidiaries

Condensed consolidated balance sheet

as at June 30, 2013

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

Liabilities	Notes	Current period	Restated
		(Reviewed)	Prior period
		June 30,	December 31,
		2013	2012
Short term liabilities		568.342	443.158
Short-term financial borrowings		2.197	5.810
Current portion of long term financial borrowings	6	9.888	-
Derivative financial instruments	7	-	135
Trade payables		377.317	268.580
- Trade payables to related parties	18	162.939	118.120
- Trade payables to third parties	8	214.378	150.460
Liabilities for employee benefits		6.350	25.384
Other payables		554	391
- Other payables to related parties	18	434	310
- Other payables to third parties		120	81
Deferred income		1.855	2.481
Provision for taxation on income	17	4.025	3.459
Short-term provisions		61.746	39.733
-Provisions for employee benefits		4.765	-
-Other provisions		56.981	39.733
Other current liabilities	14	104.410	97.185
Long term liabilities		277.778	132.562
Long-term borrowings	6	142.251	-
Other payables		71.949	70.695
- Other payables to third parties		71.949	70.695
Long-term provisions		24.316	22.222
-Provisions for employee benefits		24.316	22.222
Deferred tax liabilities	17	39.262	39.645
Equity		2.164.594	2.380.535
Share capital	15	300.000	300.000
Adjustment to share capital	15	71.504	71.504
Adjustment to share capital due to cross-ownership (-)		(7.442)	(7.442)
Other comprehensive income or expenses not to be reclassified to profit or loss		(1.423)	(1.423)
-Actuarial gain/loss arising from defined benefit plans		(1.423)	(1.423)
Other comprehensive income or expenses to be reclassified to profit or loss		219.450	211.582
-Foreign currency translation differences		1.232	1.024
-Hedging gains/losses		(1.985)	(3.095)
-Gains/losses from the revaluation and reclassification of marketable securities		220.203	213.653
Restricted reserves		264.793	307.846
Retained earnings		1.240.998	1.193.035
Net profit for the period		76.139	304.910
Equity attributable to equity holders of the parent		2.164.019	2.380.012
Non-controlling interests		575	523
Total equity and liabilities		3.010.714	2.956.255

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

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

Aygaz Anonim Şirketi and Subsidiaries

**Condensed consolidated profit or loss and other comprehensive income statement
for the six month interim period ended June 30, 2013**
(Amounts expressed in thousands of Turkish Lira (“TL”) and in thousands for other currencies unless
otherwise indicated.)

	Notes	Reviewed		<i>(Restated)</i> Reviewed	
		January 1 - June 30, 2013	April 1 - June 30, 2013	January 1 - June 30, 2012	April 1 - June 30, 2012
Revenue		2.767.531	1.390.782	2.652.790	1.259.218
Cost of sales (-)		(2.524.505)	(1.265.110)	(2.431.052)	(1.152.989)
Gross profit		243.026	125.672	221.738	106.229
General administrative expenses (-)		(62.588)	(29.916)	(53.996)	(27.617)
Marketing, sales and distribution expenses (-)		(106.451)	(57.379)	(101.067)	(53.664)
Research and development expenses (-)		(1.365)	(668)	(957)	(666)
Other operating income		30.090	18.337	43.356	14.460
Other operating expenses (-)		(20.751)	(11.304)	(14.231)	(6.429)
Operating profit		81.961	44.742	94.843	32.313
Income from investment activities		1.074	484	3.764	2.256
Loss from investment activities		(129)	(32)	(124)	(51)
Profit /losses from investments accounted under equity method		7.350	1.016	43.039	2.549
Operating profit before financial expense		90.256	46.210	141.522	37.067
Financial income		3.833	1.140	10.172	3.361
Financial expense (-)		(5.475)	(4.149)	(13.039)	(6.060)
Profit before taxation		88.614	43.201	138.655	34.368
Tax income / (expense)					
- Current tax expense for the period (-)	17	(13.212)	(6.228)	(19.337)	(4.257)
- Deferred tax income / (expense)	17	789	(949)	1.567	(1.631)
Profit for the period		76.191	36.024	120.885	28.480
Other comprehensive income					
To be reclassified as profit or loss					
Foreign currency translation differences		208	214	(215)	97
Hedging gains/losses		1.110	516	2.236	548
Gains/losses from the revaluation and reclassification of marketable securities		6.550	6.550	6.550	6.550
Other comprehensive income (after taxation)		7.868	7.280	8.571	7.195
Total other comprehensive income		84.059	43.304	129.456	35.675
Distribution of profit for the period					
Non-controlling interest		52	33	16	20
Equity holders of the parent		76.139	35.991	120.869	28.460
Distribution of total other comprehensive income					
Non-controlling interest		52	33	16	20
Equity holders of the parent		84.007	43.271	129.440	35.655
Earnings per share (TL)	16	0,253797	0,119970	0,402897	0,094867

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

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

Aygaz Anonim Şirketi and Subsidiaries

**Consolidated statement of changes in equity
for the period ended June 30, 2013**

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

	Share capital	Adjustment to share capital	Adjustment to share capital due to cross-ownership (-)	Actuarial gain/loss arising from defined benefit plans	Other comprehensive income or expenses to be reclassified to profit or loss		Gains/losses from the revaluation and reclassification of marketable securities	Restricted reserves	Retained earnings	Net profit for the period	Equity attributable to equity holders of the parent	Non-controlling interest	Total equity
					Other comprehensive income or expenses not to be reclassified to profit or loss	Other comprehensive income or expenses to be reclassified to profit or loss							
Reviewed													
1 January 2012 - previously reported	300.000	71.504	(7.442)	-	1.312	(6.483)	144.407	384.230	886.954	379.697	2.154.179	452	2.154.631
Change in accounting policy: - TAS 19 (Note 2.2)	-	-	-	(44)	-	-	-	-	-	44	-	-	-
Balance as of January 1, 2012 – restated	300.000	71.504	(7.442)	(44)	1.312	(6.483)	144.407	384.230	886.954	379.741	2.154.179	452	2.154.631
Transfers from retained earnings	-	-	-	-	-	-	-	-	379.741	(379.741)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(150.000)	-	(150.000)	-	(150.000)
Transfers to reserves	-	-	-	-	-	-	-	(76.384)	76.384	-	-	-	-
Transactions with minority shares	-	-	-	-	-	-	-	-	-	-	-	36	36
Comprehensive income / (loss) for the period	-	-	-	-	(215)	2.236	6.550	-	-	120.869	129.440	16	129.456
Balance as of June 30, 2012	300.000	71.504	(7.442)	(44)	1.097	(4.247)	150.957	307.846	1.193.079	120.869	2.133.619	504	2.134.123
Reviewed													
Balance as of January 1, 2013 – previously reported	300.000	71.504	(7.442)	-	1.024	(3.095)	213.653	307.846	1.193.035	303.487	2.380.012	523	2.380.535
Change in accounting policy: - TAS 19 (Note 2.2)	-	-	-	(1.423)	-	-	-	-	44	1.379	-	-	-
Balance as of January 1, 2013 – restated	300.000	71.504	(7.442)	(1.423)	1.024	(3.095)	213.653	307.846	1.193.079	304.866	2.380.012	523	2.380.535
Transfers from retained earnings	-	-	-	-	-	-	-	-	304.866	(304.866)	-	-	-
Dividends paid (note 15)	-	-	-	-	-	-	-	-	(300.000)	-	(300.000)	-	(300.000)
Transfers to reserves	-	-	-	-	-	-	-	28.500	(28.500)	-	-	-	-
Transfers from restricted reserves	-	-	-	-	-	-	-	(71.553)	71.553	-	-	-	-
Comprehensive income / (loss) for the period	-	-	-	-	208	1.110	6.550	-	-	76.139	84.007	52	84.059
Balance as of June 30, 2013	300.000	71.504	(7.442)	(1.423)	1.232	(1.985)	220.203	264.793	1.240.998	76.139	2.164.019	575	2.164.594

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

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

Aygaz Anonim Şirketi and Subsidiaries

Consolidated cash flow statement

for the period ended June 30, 2013

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

		Reviewed	Restated
	Notes	January 1- June 30, 2013	January 1- June 30, 2012
A. Cash flows from operating activities			
		156.345	67.659
Profit/loss for the period		88.614	138.655
Adjustments related with the reconciliation of net profit/ loss for the period		50.584	13.932
-Adjustments for depreciation and amortization expenses	11, 12	41.290	39.348
-Adjustments for provisions		20.608	29.900
-Adjustments for interest income and expenses		(1.182)	(10.172)
-Adjustments for income from equity participations	10	(7.350)	(43.039)
-Adjustments for profit/ loss on sale of tangible/intangible assets		(945)	(2.873)
-Other adjustments for reconciliation of profit/ loss		(1.837)	768
Changes in working capital:		30.279	(62.685)
-Adjustments for increase/decrease in inventories		35.449	(11.360)
-Adjustments for increase/decrease in trade receivables		(103.613)	(23.946)
-Adjustments for other current assets and liabilities		3.292	(31.794)
-Adjustments for increase/ decrease in trade payables		108.737	31.845
-Adjustments for other non-current assets and long-term liabilities		(13.586)	(27.430)
Cash flows from operating activities		169.477	89.902
Tax payments/returns	17	(12.178)	(20.823)
Other cash inflow/outflows		(954)	(1.420)
B. Cash flows from investing activities			
		(26.193)	(45.172)
Cash inflows from the sale of property, plant and equipment and intangible assets	11, 12	2.947	4.863
Cash outflows from the purchase of property, plant and equipment and intangible assets	11, 12	(26.349)	(50.035)
Share capital participation to subsidiaries		(2.791)	-
C. Cash flows from financing activities			
		(150.292)	(139.828)
Cash inflows due to borrowings		145.874	
Dividends paid	15	(300.000)	(150.000)
Interest received		3.834	10.172
Net increase/decrease in cash and cash equivalents before the effect of foreign currency translation differences		(20.140)	(117.341)
D. Impact of foreign currency translation differences on cash and cash equivalents			
		208	(215)
Net increase/decrease in cash and cash equivalents		(19.932)	(117.556)
E. Cash and cash equivalents at the beginning of the period			
	4	125.365	254.302
Cash and cash equivalents at the end of the period	4	105.433	136.746

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

Aygaz Anonim Şirketi and Subsidiaries

Notes to the consolidated financial statements as of June 30, 2013

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

1. Organization and operations of the Company

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

The Company is registered at the Capital Markets Board of Turkey (“CMB”) and as of June, 30 2013 24,27% of its shares have been quoted at Borsa İstanbul.

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

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

Average number of personnel of Aygaz and its subsidiaries (together with referred to as “the Group”) for the interim period ended June 30, 2013 is 1.439 (December 31, 2012: 1.413).

Subsidiaries

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

as of June 30, 2013 (continued)

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

1. Organization and operations of the Company (continued)

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 (%)			Principal activity
		June 30, 2013	December 31, 2012	Voting power right	
Mogaz (*)	Turkey	-	100%	-	LPG
Anadoluhisarı	Turkey	100%	100%	100%	Shipping
Kandilli	Turkey	100%	100%	100%	Shipping
Kuleli	Turkey	100%	100%	100%	Shipping
Kuzguncuk	Turkey	100%	100%	100%	Shipping
Akpa	Turkey	100%	100%	100%	Marketing
Aygaz Doğal Gaz Toptan Satış A.Ş.	Turkey	99,15%	99,15%	99,15%	Natural gas
Aygaz Doğal Gaz İletim A.Ş.	Turkey	99,59%	99,59%	99,59%	Natural gas

(*) Registration procedures regarding the merger of Aygaz, with Mogaz Petrol Gazları A.Ş., 100% owned subsidiary through a whole take-over of all assets and liabilities based on the balance sheet dated June 30, 2012, were completed on January 22, 2013 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 Tüpraş’s management and its operational decisions as well as to establish and operate in oil refinery related sectors in Turkey.

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

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

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

Aygaz Anonim Şirketi and Subsidiaries

Notes to the consolidated financial statements

as of June 30, 2013 (continued)

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

1. Organization and operations of the Company (continued)

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

Investments in associates	Place of incorporation and operation	Ownership interest (%)			Principal activity
		June 30, 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 consolidated with equity method in the accompanying consolidated financial statements even though the ownership of the Group is 56%.

Approval of consolidated financial statements:

The consolidated financial tables for the period ended on June 30, 2013 are approved on the Board of Directors meeting held on August 6, 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

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 accompanying interim consolidated financial statements have been prepared in accordance with the Turkish Accounting Standards (“TAS”) promulgated by the Public Oversight Accounting and Auditing Standards Authority (“POA”) in compliance with the communiqué numbered II-14.1 “Communiqué on the Principles of Financial Reporting In Capital Markets” (the Communiqué) announced by the CMB on 13 June 2013 which is published on Official Gazette numbered 28676. TAS consists of the Turkish Accounting Standards, Turkish Financial Reporting Standards and related supplements and interpretations.

The Group has prepared its consolidated financial statements for the period ended on June 30, 2013 in accordance with TAS 34 “Interim Financial Reporting Standards”.

The interim consolidated financial statements are prepared in accordance with the Turkish Accounting Standards published by POA with the certain adjustments and reclassifications to reflect for presentation of Group’s financial position.

The interim consolidated financial statements do not include all of the disclosures required in year-end financial statements and should be evaluated with the Group’s consolidated financial statements as of December 31, 2012.

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

Aygaz Anonim Şirketi and Subsidiaries

Notes to the consolidated financial statements as of June 30, 2013 (continued)

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

2. Basis of presentation of financial statements (continued)

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

2.2 Changes in accounting policies

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

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

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

2.3 Comparative information and reclassifications on prior period financial statements

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

Pursuant to the decree taken in the CMB’s meeting dated June 7, 2013 and numbered 20/670, for capital market board institutions within the scope of the Communiqué on Principles Regarding Financial Reporting in the Capital Market, financial statement templates and a user guide have been published, effective as of the interim periods ended after March 31, 2013. Various classifications were made in the Group’s financial statements pursuant to these formats which have taken effect. The classifications made in the balance sheet of the Company as of 31 December 2012 and in the consolidated profit or loss and other comprehensive income statement for the period ended 30 June 2012 are as follows:

- Prepaid expenses amounting to TL 38.021 thousand shown in other current assets were classified as a separate account in the balance sheet.
- Prepaid expenses amounting to TL 48.291 thousand shown in other non-current assets were classified as a separate account in the balance sheet.
- Prepaid corporate tax and taxes and funds deductible amounting to TL 507 thousand shown in other current assets were classified under “Assets related to current year tax” in current assets.
- Spare parts and maintenance equipments amounting to TL 3.493 thousand accounted under inventories were classified to “Property, plant and equipment”.
- Other financial liabilities account was renamed as “Derivative financial instruments”.
- Payable to personnel and employee taxes payable amounting to TL 13.725 thousand and TL 11.659 thousand, respectively shown under short-term other payables and other short-term liabilities were classified under “Liabilities for employee benefits”.
- Advances taken, deferred income and deferred interest income from credit sales amounting to TL 2.481 thousand shown in other short-term liabilities were classified under “Deferred income”.
- Provisions for vacation pay liability amounting to TL 2.321 thousand shown in other short-term liabilities were classified to “Provisions for employee benefits” under long-term liabilities.

Aygaz Anonim Şirketi and Subsidiaries

Notes to the consolidated financial statements

as of June 30, 2013 (continued)

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

2. Basis of presentation of financial statements (continued)

- Provision for other liabilities account was renamed as “Other provisions” and grouped under the short-term provisions shown under short-term liabilities.
- Expense accruals amounting to TL 37.356 thousand shown in other short-term liabilities were classified to “Other provisions” grouped under the short-term provisions.
- Valuation fund on financial asset was renamed as “Revaluation and reclassification gains/losses of marketable securities”.
- Revaluation and reclassification gains/losses of marketable securities, hedging gains/losses and foreign currency translation differences were grouped under the account of “Other comprehensive income to be reclassified to profit or loss”.
- Sales revenue (net) was renamed as “Revenue”.
- Foreign exchange gains related with the trade payables and receivables, and interest income from credit sales, amounting to TL 26.069 thousand, shown under the finance income account were classified to “Other operating income”.
- Foreign exchange losses related with the trade payables and receivables, and interest expenses from credit purchases, amounting to TL 7.018 thousand, shown under finance expense account were classified to “Other operating expenses”.
- Foreign exchange reclassification amounting to TL 5.031 thousand has been made between other operating income and other operating expenses accounts.
- Income from the property, plant and equipment and intangible assets and scrap sales amounting to TL 3.764 thousand shown under other operating income was classified to “Income from investment activities”.
- Losses from the property, plant and equipment and intangible assets and scrap sales amounting to TL 124 thousand shown under other operating expenses were classified to “Loss from investment activities”.

2.4 New and amended standards and interpretations:

The accounting policies adopted in preparation of the interim consolidated financial statements as at 30 June 2013 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2013. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

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

Aygaz Anonim Şirketi and Subsidiaries

Notes to the consolidated financial statements

as of June 30, 2013 (continued)

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

2. Basis of presentation of financial statements (continued)

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

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

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

- i) Evaluating the effect or potential effect of netting arrangements on an entity’s financial position and
- ii) Analyzing and comparing financial statements prepared in accordance with TFRSs and other generally accepted accounting standards.

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

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

The amendments 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 amendment affects presentation only and did not have an impact on the financial position or performance of the Group.

TAS 19 Employee Benefits (Amended)

Numerous changes or clarifications are made under the amended standard. Among these numerous amendments, the most important changes are removing the corridor mechanism, for determined benefit plans recognizing actuarial gain/(loss) under other comprehensive income and making the distinction between short-term and other long-term employee benefits based on expected timing of settlement rather than employee entitlement. The Group used to recognize the actuarial gain and loss in profit and loss statement before this amendment. The Group, disclosed the retrospective effect of the changes in Note 2.2. Additionally, based on the amendment in the presentation of short and long-term employee benefits, vacation pay liability has been reclassified to long-term provision for employee benefits retrospectively.

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

Aygaz Anonim Şirketi and Subsidiaries

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as of June 30, 2013 (continued)

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

2. Basis of presentation of consolidated financial statements (continued)

TAS 27 Separate Financial Statements (Amended)

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

TAS 28 Investments in Associates and Joint Ventures (Amended)

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

TFRS 10 Consolidated Financial Statements

TFRS 10, replaces the parts of previously existing TAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. A new definition of control is introduced, which is used to determine which entities are consolidated. This is a principle based standard and require preparers of financial statements to exercise significant judgment. This amendment did not have an impact on the financial position or performance of the Group.

TFRS 11 Joint Arrangements

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

TFRS 12 Disclosure of Interests in Other Entities

TFRS 12 includes all of the requirements that are related to disclosures of an entity's interests in subsidiaries, joint arrangements, associates and structured entities. 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.

TFRS 13 Fair Value Measurement

The new Standard provides guidance on how to measure fair value under TFRS but does not change when an entity is required to use fair value. It is a single source of guidance under TFRS for all fair value measurements. The new standard also brings new disclosure requirements for fair value measurements. The new disclosures are only required for periods beginning after TFRS 13 is adopted. Some of the disclosures about the financial instruments mentioned above, have to be provided in the interim condensed consolidated financial statements according to TAS 34.16 A (j). The Group disclosed the explanations in Note 19.

Aygaz Anonim Şirketi and Subsidiaries

Notes to the consolidated financial statements

as of June 30, 2013 (continued)

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

2. Basis of presentation of consolidated financial statements (continued)

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

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 TFRS 10, TFRS 11 and TFRS 12)

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

Improvements to TFRSs

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

TAS 1 Financial Statement Presentation:

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

TAS 16 Property, Plant and Equipment:

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

TAS 32 Financial Instruments: Presentation:

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

TAS 34 Interim Financial Reporting:

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

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

Aygaz Anonim Şirketi and Subsidiaries

Notes to the consolidated financial statements

as of June 30, 2013 (continued)

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

2. Basis of presentation of consolidated financial statements (continued)

Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the interim condensed consolidated financial statements and not early adopted by the Group 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

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

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

TFRS 9 Financial Instruments – Classification and Measurement

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

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

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

IFRS 10 Consolidated Financial Statements (Amendment)

IFRS 10 is amended to provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss in accordance with IFRS 9 Financial Instruments. The amendment is not expected to have an effect on the financial position and performance of the Group.

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Notes to the consolidated financial statements

as of June 30, 2013 (continued)

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

2. Basis of presentation of consolidated financial statements (continued)

IFRIC Interpretation 21 Levies

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

IAS 36 Impairment of Assets - Recoverable Amount Disclosures for Non-Financial assets (Amendment)

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

IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting (Amendment)

In June 2013, the IASB issued amendments to IAS 39 Financial Instruments: Recognition and Measurement that provides a narrow exception to the requirement for the discontinuation of hedge accounting in circumstances when a hedging instrument is required to be novated to a central counterparty as a result of laws or regulations. The amendments are to be applied retrospectively for annual periods beginning on or after 1 January 2014. The Group does not expect that this amendment will have any impact on the financial position or performance of the Group.

Resolutions promulgated by the Public Oversight Authority

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

2013-1 Illustrative Financial Statement and User Guide

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

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

Aygaz Anonim Şirketi and Subsidiaries

Notes to the consolidated financial statements

as of June 30, 2013 (continued)

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

2. Basis of presentation of financial statements (continued)

2013-2 Accounting of Combinations under Common Control

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

2013-3 Accounting of Redeemed Share Certificates

Clarification has been provided on the conditions and circumstances where the redeemed share certificates shall be recognized as a financial liability or equity based financial instruments. It is not expected that these resolutions will have any impact on the financial statements of the Group.

2013-4 Accounting of Cross Shareholding Investments

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

- i) the subsidiary holding the equity based financial instruments of the parent,
- ii) the associates or joint ventures holding the equity based financial instruments of the parent,
- iii) the parent’s equity based financial instruments are held by an entity, which is accounted as an investment within the scope of TAS 39 and TFRS 9 by the parent.

It is not expected that these resolutions will have any impact on the financial statements of the Group.

2.5 Convenience Translation into English of Consolidated Financial Statements

The accounting principles described in Note 2.1 to the consolidated financial statements (defined as Turkish Financial Reporting Standards) differ from International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board with respect to the application of inflation accounting for the period between 1 January and 31 December 2005 and the presentation of the basic financial statements and the notes to them. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

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Notes to the consolidated financial statements

as of June 30, 2013 (continued)

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

3. Segment reporting

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

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

- Gas and petroleum products
- Electricity
- Other

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

As of June 30, 2013 and December 31, 2012, assets and liabilities according to industrial segments are as follows:

	June 30, 2013				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Assets					
Current assets	628.401	-	123.414	(6.663)	745.152
Non-current assets	1.837.159	-	118.629	309.774	2.265.562
Total assets	2.465.560	-	242.043	303.111	3.010.714
Liabilities					
Short term liabilities	504.143	-	73.811	(9.612)	568.342
Long term liabilities	264.788	-	7.152	5.838	277.778
Equity	1.696.629	-	161.080	306.885	2.164.594
Total liabilities and equity	2.465.560	-	242.043	303.111	3.010.714
Investments accounted under equity method	1.068.763	205.636	-	-	1.274.399
	December 31, 2012				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Assets					
Current assets	646.641	-	103.803	(57.971)	692.473
Non-current assets	2.018.409	-	118.783	126.590	2.263.782
Total assets	2.665.050	-	222.586	68.619	2.956.255
Liabilities					
Short term liabilities	461.730	-	39.399	(57.971)	443.158
Long term liabilities	122.935	-	6.306	3.321	132.562
Equity	2.080.385	-	176.881	123.269	2.380.535
Total liabilities and equity	2.665.050	-	222.586	68.619	2.956.255
Investments accounted under equity method	1.056.685	173.506	-	-	1.230.191

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

Aygaz Anonim Şirketi and Subsidiaries

Notes to the consolidated financial statements

as of June 30, 2013 (continued)

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

3. Segment reporting (continued)

For the period ended June 30, 2013 and 2012, profit or loss statements according to industrial segments are as follows:

	January 1 - June 30, 2013				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Revenue	2.641.825	-	189.727	(64.021)	2.767.531
Cost of sales (-)	(2.423.101)	-	(166.792)	65.388	(2.524.505)
Gross profit	218.724	-	22.935	1.367	243.026
General administrative expenses (-)	(54.997)	-	(8.013)	422	(62.588)
Marketing, sales and distribution expenses (-)	(99.711)	-	(6.740)	-	(106.451)
Research and development expenses (-)	(1.365)	-	-	-	(1.365)
Other operating income	53.080	-	3.631	(26.621)	30.090
Other operating expenses (-)	(19.524)	-	(1.227)	-	(20.751)
Operating profit	96.207	-	10.586	(24.832)	81.961
Income from investment activities	1.268	-	27	(221)	1.074
Loss from investment activities (-)	(129)	-	-	-	(129)
Profit/losses from investments accounted under equity method	-	-	-	7.350	7.350
Operating profit before financial expense	97.346	-	10.613	(17.703)	90.256
Financial income	3.449	-	384	-	3.833
Financial expense (-)	(4.674)	-	(801)	-	(5.475)
Profit before taxation	96.121	-	10.196	(17.703)	88.614
Tax income / (expense)					
Current tax expense for the period (-)	(12.424)	-	(788)	-	(13.212)
Deferred tax income / (expense)	887	-	73	(171)	789
Profit for the period	84.584		9.481	(17.874)	76.191
Distribution of profit for the period:					
Non-controlling interest	52	-	-	-	52
Equity holders of the parent	84.532	-	9.481	(17.874)	76.139
Investments accounted under equity method	10.761	(3.411)	-	-	7.350

Aygaz Anonim Şirketi and Subsidiaries

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as of June 30, 2013 (continued)

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

3. Segment reporting (continued)

	January 1 - June 30, 2012				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Revenue	2.553.706	-	164.640	(65.556)	2.652.790
Cost of sales (-)	(2.351.059)	-	(146.576)	66.583	(2.431.052)
Gross profit	202.647	-	18.064	1.027	221.738
General administrative expenses (-)	(48.698)	-	(5.813)	515	(53.996)
Marketing, sales and distribution expenses (-)	(96.930)	-	(4.137)	-	(101.067)
Research and development expenses (-)	(957)	-	-	-	(957)
Other operating income	52.151	-	3.444	(12.239)	43.356
Other operating expenses (-)	(12.020)	-	(3.649)	1.438	(14.231)
Operating profit	96.193	-	7.909	(9.259)	94.843
Income from investment activities	3.238	-	-	526	3.764
Loss from investment activities (-)	(124)	-	-	-	(124)
Profit/losses from investments accounted under equity method	-	-	-	43.039	43.039
Operating profit before financial expense	99.307	-	7.909	34.306	141.522
Financial income	8.640	-	1.532	-	10.172
Financial expense (-)	(12.196)	-	(843)	-	(13.039)
Profit before taxation	95.751	-	8.598	34.306	138.655
Tax income / (expense)					
Current tax expense for the period (-)	(18.240)	-	(1.097)	-	(19.337)
Deferred tax income / (expense)	1.609	-	22	(64)	1.567
Profit for the period	79.120	-	7.523	34.242	120.885
Distribution of profit for the period:					
Non-controlling interest	16	-	-	-	16
Equity holders of the parent	79.104	-	7.523	34.242	120.869
Investments accounted under equity method	47.866	(4.827)	-	-	43.039

The amortization and depreciation expense for the industrial segmental assets for the period ended on June 30, 2013 and 2012 are as follows:

	January 1 - June 30, 2013	January 1 - June 30, 2012
Gas and petroleum products	37.690	36.028
Other	3.600	3.320
	41.290	39.348

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

Aygaz Anonim Şirketi and Subsidiaries

Notes to the consolidated financial statements

as of June 30, 2013 (continued)

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

3. Segment reporting (continued)

The investment expenditures for the industrial segmental assets for the periods ended on June 30, 2013 and 2012 are as follows:

	January 1 - June 30, 2013	January 1 - June 30, 2012
Gas and petroleum products	25.037	49.501
Other	1.321	534
	26.358	50.035

4. Cash and cash equivalents

	June 30, 2013	December 31, 2012
Cash on hand	326	232
Cash at banks	77.807	99.545
- Demand deposits	17.573	33.146
- Time deposits	60.234	66.399
Receivables from credit card transactions	27.300	25.588
Total cash and cash equivalents	105.433	125.365

As of June 30, 2013 the Group's TL time deposits amounting to TL 46.810 thousand have maturities of 3 days and interest rate of 5,1%; USD time deposits amounting to USD 6.970 thousand (TL 13.415 thousand) have maturities of 3 days and interest rate of 1,8% (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 maturities of 2 days and interest rate of 2%).

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Notes to the consolidated financial statements as of June 30, 2013 (continued)

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5. Financial assets

The long term financial assets identified as financial assets held for sale by the Group are as follows as of June 30, 2013 and December 31, 2012:

	June 30, 2013		December 31, 2012	
	Participation amount	Participation rate %	Participation amount	Participation rate %
Koç Finansal Hizmetler A.Ş. (*)	322.095	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. (**)	39	0,08	32	0,08
Other (***)	23	-	23	-
	324.160		317.258	

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

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

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

6. Financial borrowings

On April 18, 2013, the Group has issued a fixed rate bond with a nominal value of TL 150.000 thousand, with a maturity of 700 days and half-yearly coupon payments. As of June 30, 2013, net present value of the issued bond is TL 152.139 thousand and its effective interest rate is 7,26%.

7. Derivative financial instruments

As of June 30, 2013, the Group has forward contracts with an average maturity of two months and nominal amounts of USD 16.220 thousand. The Group recognized the difference between net book value and fair value as of June 30, 2013, amounting to TL 1.182 thousand in derivative financial instruments under other current assets (As of December 31, 2012, the Group has forward contracts with an average maturity of three months and nominal amounts of USD 14.430 thousand. The Group recognized the difference between net book value and fair value as of December 31, 2012, amounting to TL 135 thousand in derivative financial instruments under other short-term liabilities).

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

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Notes to the consolidated financial statements

as of June 30, 2013 (continued)

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8. Trade receivables and payables from third parties

The Group’s trade receivables as June 30, 2013 and December 31, 2012 are as follows:

Current trade receivables	June 30, 2013	December 31, 2012
Trade receivables	335.816	251.989
Notes receivables	60.462	51.937
Allowance for doubtful receivables (-)	(15.633)	(15.558)
Total current trade receivables	380.645	288.368

Non-current trade receivables	June 30, 2013	December 31, 2012
Notes receivable	7.415	5.087
Total non-current trade receivables	7.415	5.087

The Group’s trade payables as June 30, 2013 and December 31, 2012 are as follows:

Short term trade payables	June 30, 2013	December 31, 2012
Trade payables	214.378	150.460
Total short term trade payables	214.378	150.460

9. Inventories

	June 30, 2013	December 31, 2012
Raw materials	123.174	156.168
Trade goods	30.317	20.545
Goods in transit	15.853	30.746
Finished goods	7.324	5.451
Work in process	1.067	629
Allowance for impairment on inventory	(229)	(229)
Total inventories	177.506	213.310

As of June 30, 2013, the inventories comprise of 50.842 tons of LPG (December 31, 2012: 61.647 tons).

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

Aygaz Anonim Şirketi and Subsidiaries

Notes to the consolidated financial statements as of June 30, 2013 (continued)

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

10. Equity investments

	June 30, 2013		December 31, 2012	
	Participation amount	Participation rate %	Participation amount	Participation rate %
Enerji Yatırımları A.Ş. acquisition value	669.400		669.400	
Adjustment to share capital due to cross-ownership	(7.442)		(7.442)	
Foreign currency translation differences	1.232		1.024	
Legal reserves	5.508		5.509	
Financial risk hedge fund	(1.985)		(3.095)	
The share of the Group in the retained earnings after the acquisition date	401.689		390.926	
	1.068.402	%20,00	1.056.322	20,00%
AES Entek acquisition value	118.930		118.930	
Participation in share capital increase of equity investment	108.300		72.759	
The share of the Group in the retained earnings after the acquisition date	(21.594)		(18.183)	
	205.636	%24,81	173.506	24,81%
Zinerji Enerji Sanayi ve Tic. A.Ş. Impairment reserve (-)	738 (377)		738 (375)	
	361	%56,00	363	56,00%
Total	1.274.399		1.230.191	

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

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the consolidated financial statements
as of June 30, 2013 (continued)**

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

11. Property, plant and equipment

	Land	Land	Buildings	Plant, machinery, equipment and LPG cylinders	Vehicles and vessels	Furnitures and fixtures	Leasehold improvements	Construction in progress	Total
	Land Improvements								
Acquisition cost									
Opening balance as of January 1, 2013 (*)	16.204	109.331	69.165	1.535.063	201.547	51.601	24.110	15.514	2.022.535
Additions	-	-	-	1.334	1.366	138	-	23.511	26.349
Transfers (**)	1.071	-	-	21.388	30	592	-	(22.735)	346
Disposals	-	(808)	(8)	(14.032)	(558)	(606)	-	-	(16.012)
Ending balance as of June 30, 2013	17.275	108.523	69.157	1.543.753	202.385	51.725	24.110	16.290	2.033.218
Accumulated depreciation									
Opening balance as of January 1, 2013	-	46.118	43.345	1.170.827	107.116	37.883	22.319	-	1.427.608
Charge of the period	-	2.013	992	28.275	4.972	1.865	350	-	38.467
Disposals	-	(549)	(8)	(12.342)	(532)	(579)	-	-	(14.010)
Ending balance as of June 30, 2013	-	47.582	44.329	1.186.760	111.556	39.169	22.669	-	1.452.065
Net book value as of June 30, 2013	17.275	60.941	24.828	356.993	90.829	12.556	1.441	16.290	581.153

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

(**) TL 9 thousand under “Construction in progress” under the account property, plant and equipment has been classified to intangible fixed assets. Remaining balance amounting to TL 335 thousand, consists of the spare parts and maintenance equipments which were earlier accounted under “inventories” and have been reclassified to plant, machinery, equipment and LPG cylinders under the account “property, plant and equipment” in 2013.

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

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the consolidated financial statements
as of June 30, 2013 (continued)**

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

11. Property, plant and equipment (continued)

	Land	Land improvements	Buildings	Plant, machinery, equipment and LPG cylinders	Vehicles and vessels	Furnitures and fixtures	Leasehold improvements	Construction in progress	Total
Acquisition cost									
Opening balance as of January 1, 2012	15.531	101.381	64.535	1.487.558	229.503	49.784	22.698	17.849	1.988.839
Additions	-	-	-	8.979	5.354	230	254	35.054	49.871
Transfers	600	13	6	22.818	543	1.144	-	(25.124)	-
Disposals	-	(136)	-	(9.542)	(37.140)	(598)	(260)	-	(47.676)
Ending balance as of June 30, 2012	16.131	101.258	64.541	1.509.813	198.260	50.560	22.692	27.779	1.991.034
Accumulated depreciation									
Opening balance as of January 1, 2012	-	42.492	41.503	1.136.816	135.444	38.048	21.730	-	1.416.033
Charge of the period	-	1.849	913	27.270	4.354	1.762	372	-	36.520
Disposals	-	(106)	-	(7.979)	(37.004)	(546)	(51)	-	(45.686)
Ending balance as of June 30, 2012	-	44.235	42.416	1.156.107	102.794	39.264	22.051	-	1.406.867
Net book value as of June 30, 2012	16.131	57.023	22.125	353.706	95.466	11.296	641	27.779	584.167

Aygaz Anonim Şirketi and Subsidiaries

Notes to the consolidated financial statements

as of June 30, 2013 (continued)

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

12. Intangible assets

	Rights	Total
<u>Acquisition costs</u>		
Opening balance as of January 1, 2013	52.127	52.127
Transfers (*)	9	9
Ending balance as of June 30, 2013	52.136	52.136
<u>Accumulated depreciation</u>		
Opening balance as of January 1, 2013	16.982	16.982
Charge for the period	2.823	2.823
Ending balance as of June 30, 2013	19.805	19.805
Carrying value as of June 30, 2013	32.331	32.331

(*) TL 9 thousand under “Construction in progress” under the account property, plant and equipment has been classified to intangible assets.

	Rights	Total
<u>Acquisition costs</u>		
Opening balance as of January 1, 2012	51.323	51.323
Additions	164	164
Ending balance as of June 30, 2012	51.487	51.487
<u>Accumulated depreciation</u>		
Opening balance as of January 1, 2012	11.652	11.652
Charge for the period	2.828	2.828
Ending balance as of June 30, 2012	14.480	14.480
Carrying value as of June 30, 2012	37.007	37.007

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

Aygaz Anonim Şirketi and Subsidiaries

Notes to the consolidated financial statements

as of June 30, 2013 (continued)

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

13. Provisions, contingent liabilities and assets

Guarantees given	June 30, 2013	December 31, 2012
Letter of guarantees given to customs for gas import	34.698	31.916
Other letter of guarantees given	10.854	13.410
	45.552	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 fault. The Group may be fined with indemnity if the Group causes an environmental pollution. As of the balance sheet date, there is no material case opened against the Group.

National inventory reserve liability:

Oil refineries, licensed 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 licensed third parties.

Commitments of EYAŞ resulting from acquisition of Tüpraş:

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

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

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the consolidated financial statements
as of June 30, 2013 (continued)**

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

13. Provisions, contingent liabilities and assets (continued)

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

	June 30, 2013				December 31, 2012			
	Euro guarantees	USD guarantees	TL guarantees	TL total	Euro guarantees	USD guarantees	TL guarantees	TL total
A. GPMs given on behalf of the Company’s legal personality	28.109	3.484	13.959	45.552	26.303	3.341	15.682	45.326
B. GPMs given in favor of subsidiaries included in full consolidation	-	-	-	-	-	-	-	-
C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-	-
D. Other GPM’s								
i. - GPMs given in favor of parent company	-	-	-	-	-	-	-	-
ii. - GPMs given in favor of companies not in the scope of B and C above	-	-	-	-	-	-	-	-
iii. - GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-	-
Total amount of GPM	28.109	3.484	13.959	45.552	26.303	3.341	15.682	45.326

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

Aygaz Anonim Şirketi and Subsidiaries

Notes to the consolidated financial statements

as of June 30, 2013 (continued)

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

14. Other short-term liabilities

Other short-term liabilities	June 30, 2013	December 31, 2012
Taxes and funds payable	103.124	95.808
Other liabilities	1.286	1.377
Total other short-term liabilities	104.410	97.185

15. Share capital

As of June 30, 2013 and December 31, 2012 the share capital held is as follows:

Shareholders	Participation rate	June 30, 2013	Participation rate	December 31, 2012
Koç Holding A.Ş.	40,68%	122.054	40,68%	122.054
Liquid Petroleum Gas Development Company (“LPGDC”)	24,52%	73.546	24,52%	73.546
Temel Ticaret ve Yatırım A.Ş.	5,29%	15.884	5,29%	15.884
Koç Family	5,24%	15.705	5,24%	15.705
Publicly held (*)	24,27%	72.811	24,27%	72.811
Nominal capital	100,00%	300.000	100,00%	300.000
Adjustment to share capital (Inflation adjustment)		71.504		71.504
Adjusted capital		371.504		371.504

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

Dividend paid

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

16. Earnings per share

	January 1 – June 30, 2013	April 1 – June 30, 2013	January 1 – June 30, 2012	April 1 – June 30, 2012
Average number of shares throughout the period (thousand)	300.000	300.000	300.000	300.000
Net profit for the year attributable to equity holders of the parent	76.139	35.991	120.869	28.460
Earnings per share (TL)	0,253797	0,119970	0,402897	0,094867

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

Aygaz Anonim Şirketi and Subsidiaries

Notes to the consolidated financial statements

as of June 30, 2013 (continued)

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

17. Tax assets and liabilities

	June 30, 2013	December 31, 2012
Current tax liability:		
Current corporate tax provision	13.212	38.247
Less: Prepaid taxes and funds	(9.187)	(34.788)
	4.025	3.459
	January 1- June 30, 2013	January 1- June 30, 2012
<i>Tax expense in profit or loss statement</i>		
Current corporate tax provision	(13.212)	(19.337)
Deferred tax income	789	1.567
	(12.423)	(17.770)

Corporate tax

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

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

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

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

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 TFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of income and expenses in different reporting periods for TFRS and tax purposes and they are given below.

Aygaz Anonim Şirketi and Subsidiaries

Notes to the consolidated financial statements

as of June 30, 2013 (continued)

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

17. Tax assets and liabilities (continued)

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.

Withholding tax at the rate of 19,8% is still applied to investment allowances relating to investment incentive certificates obtained prior to April 24, 2003. Subsequent to this date, companies can deduct 40% of the investments within the scope of the investment incentive certificate and that are directly related to production facilities of the Company.

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 TFRS purposes and financial statements prepared in accordance with the tax legislation. These differences arise from the differences in accounting periods for the recognition of income and expenses in accordance with TFRS and tax legislation. The rate applied in the calculation of deferred tax assets and liabilities is 20%. (December 31, 2012: 20%).

	June 30, 2013	December 31, 2012
Deferred tax (assets)/liabilities:		
Restatement and depreciation / amortization differences of property, plant and equipment and other intangible assets	32.957	33.678
Revaluation fund on financial assets	11.590	11.243
Valuation of inventories	(55)	141
Provision for employment termination benefits	(4.166)	(3.921)
Carry forward tax losses used	-	(495)
Other	(1.196)	(1.073)
	39.130	39.573

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

Aygaz Anonim Şirketi and Subsidiaries

Notes to the consolidated financial statements

as of June 30, 2013 (continued)

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

17. Tax assets and liabilities (continued)

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

	June 30, 2013			December 31, 2012		
	Deferred tax			Deferred tax		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Aygaz A.Ş.	(6.800)	44.255	37.455	(4.371)	37.846	33.475
Mogaz Petrol Gazları A.Ş.	-	-	-	(2.464)	7.112	4.648
Akpa A.Ş.	(328)	196	(132)	(282)	210	(72)
Aygaz Doğal Gaz	(775)	2.582	1.807	(714)	2.236	1.522
	(7.903)	47.033	39.130	(7.831)	47.404	39.573

Movement of deferred tax from continuing operations is as follows:

	January 1- June 30, 2013	January 1- June 30, 2012
Movement of deferred tax (asset) / liability:		
Opening balance as of January 1	39.573	34.541
Deferred tax expense / (income)	(789)	(1.567)
Deferred tax associated with financial asset revaluation fund	346	344
Closing balance as of June 30	39.130	33.318

Aygaz Anonim Şirketi and Subsidiaries**Notes to the consolidated financial statements
as of June 30, 2013 (continued)**

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

18. 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	June 30, 2013			
	Receivables		Payables	
	Trade	Non-trade	Trade	Non-trade
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	15.441	-	74.952	-
Zer Merkezi Hizmetler ve Ticaret A.Ş. (**)	1.649	-	5.913	-
Ford Otomotiv Sanayi A.Ş.	1.559	-	-	-
Demir Export A.Ş.	1.096	-	-	-
Tofaş Türk Otomobil Fabrikası A.Ş.	563	-	44	-
Otokar Otobüs Karoseri Sanayi A.Ş.	506	-	13	-
Tat Konserve Sanayi A.Ş.	462	-	-	-
Arçelik A.Ş.	360	-	49.248	-
Harranova Besi ve Tarım Ürünleri A.Ş.	278	-	-	-
RMK Marine Gemi Yapım San. ve Deniz Taş. İşl. A.Ş.	203	-	-	-
Türk Traktör ve Ziraat Makinaları A.Ş.	199	-	-	-
Otokoç Otomotiv Tic. ve San. A.Ş.	158	-	1.089	-
Arçelik LG Klima San. ve Tic. A.Ş.	101	-	-	-
Opet Petrolcülük A.Ş.	90	-	24.560	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	65	-	55	-
Koç Topluluğu Spor Klubü Derneği	41	-	5	-
Altinyunus Çeşme Turistik Tesisler. A.Ş.	35	-	-	-
Yapı Kredi Bankası A.Ş.	21	-	31	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	19	-	753	-
Vehbi Koç Vakfı	19	-	1	-
Yapı Kredi Kültür Sanat Yayıncılık Tic.ve San. A.Ş.	18	-	-	-
Vehbi Koç Vakfı Koç Üniversitesi	12	-	60	-
Setur Servis Turistik A.Ş.	7	-	260	-
Düzye Tüketim Malları Pazarlama A.Ş.	6	-	39	-
Yapı Kredi Sigorta A.Ş.	5	-	678	-
Tanı Pazarlama ve İletişim Hizmetleri A.Ş.	4	-	-	-
Beldesana Otomotiv Yan Sanayi ve Tic. A.Ş.	4	-	-	-
Opet-Fuchs Madeni Yağ A.Ş.	2	-	68	-
Yapı Kredi Emeklilik A.Ş.	2	-	2	-
Rahmi M.Koç Müzecilik Ve Kült. Vakfı	2	-	-	-
Koç Tüketici Finansmanı A.Ş.	1	-	-	-
Callus	1	-	135	-
Ark İnşaat A.Ş.	1	-	-	-
Akdeniz Akaryakıt Depolama	1	-	-	-
Üsküdar Tankercilik	1	-	-	-
Ram Dış Ticaret A.Ş.	-	-	4.245	-
Ram Sigorta Aracılık Hizmetleri A.Ş.(****)	-	-	456	-
Setair Hava Taşımacılığı ve Hizm. A.Ş.	-	-	84	-
East Marine	-	-	18	-
Divan Turizm İşletmeleri	-	-	16	-
İltur Gemicilik ve Yat İşlemleri	-	-	3	-
Other	1	-	-	-
Shareholders				
Koç Holding A.Ş.	2	-	27	-
Investments accounted under equity method				
AES Entek Elektrik Üretimi A.Ş.	966	-	184	-
	23.901	-	162.939	-

(*) 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 June 30, 2013; dividends payable amounting to TL 434 thousand (December 31, 2012 – TL 310 thousand) is reflected within other payables to related parties at the consolidated balance sheet.

Aygaz Anonim Şirketi and Subsidiaries**Notes to the consolidated financial statements
as of June 30, 2013 (continued)**

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

18. 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	-
Düzye Tüketim Malları Pazarlama A.Ş.	5	-	67	-
Yapı Kredi Sigorta A.Ş.	4	-	1	-
Opet-Fuchs Madeni Yağlar	4	-	76	-
Beldesana 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 the consolidated financial statements
as of June 30, 2013 (continued)**

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

18. Transactions with related parties (continued)

Transactions with related parties	January 1 - June 30, 2013			
	Purchases (Goods)	Sales (Goods)	Purchases (Services)	Sales (Services)
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	339.923	129.048	634	-
Arçelik A.Ş.	54.400	2.050	7	-
Opet Petrolcülük A.Ş.(**)	54.319	626	1.800	-
Ram Dış Ticaret A.Ş.	15.713	-	-	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	5.804	7	11.031	-
Opet-Fuchs Madeni Yağ A.Ş.	311	4	3	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	249	13	1.303	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	156	58	-	-
East Marine	36	-	-	-
Yapı Kredi Bankası A.Ş.	11	239	91	-
Tanı Pazarlama ve İletişim Hizmetleri A.Ş.	11	2	792	-
Otokoç Otomotiv Tic. ve San. A.Ş.	9	665	1.218	-
Vehbi Koç Vakfı Sadberk Hanım Müzesi	1	-	-	-
Ford Otomotiv Sanayi A.Ş.	-	8.136	-	-
Otokar Otobüs Karoseri Sanayi A.Ş.	-	2.202	171	-
Oriente Klassik Giyim San.ve Tic.A.Ş.	-	-	7	-
Bilkom Bilişim Hizmetleri A.Ş.	-	2	-	-
Düzyay Tüketim Malları Pazarlama A.Ş.	-	15	212	-
Demir Export A.Ş.	-	2.554	-	-
Tofaş Türk Otomobil Fabrikası A.Ş.	-	3.312	36	-
Türk Traktör ve Ziraat Makinaları A.Ş.	-	1.549	-	-
RMK Marine Gemi Yapım San. ve Deniz Taş. İşl. A.Ş.	-	489	-	-
Vehbi Koç Vakfı Koç Üniversitesi	-	-	146	-
Tat Konserve Sanayi A.Ş.	-	2.243	-	-
Vehbi Koç Vakfı Amerikan Hastanesi	-	-	13	-
Harranova Besi ve Tarım Ürünleri A.Ş.	-	751	-	-
Marmaris Altinyunus Turistik Tesisleri A.Ş.	-	164	-	-
Altinyunus Çeşme Turistik Tesisler. A.Ş.	-	198	-	-
Setur Servis Turistik A.Ş.	-	16	1.334	-
Koç Fiat Kredi Tüketici Finansmanı A.Ş.	-	4	-	-
Setair Hava Taşımacılığı ve Hizm. A.Ş.	-	-	1.759	-
Callus Bilgi ve İletişim Hizmetleri A.Ş.	-	-	654	-
Yapı Kredi Sigorta A.Ş.	-	13	91	-
Promena Elektronik Ticaret A.Ş.	-	-	64	-
Yapı Kredi Yatırım Menkul Değerler A.Ş.	-	4	9	-
Koç-Yönder	-	-	3	-
Yapı Kredi Faktoring A.Ş.	-	1	2	-
Yapı Kredi Emeklilik A.Ş.	-	7	-	-
Tek-Art Kalamış ve Fenerbahçe Mar. Tur. Tes. A.Ş.	-	2	-	-
Beykoz Tankercilik	-	1	-	-
Kadıköy Tankercilik	-	1	-	-
Üsküdar Tankercilik	-	1	-	-
Divan Turizm İşletmeleri	-	100	100	-
Yapı Kredi Portföy Yönetimi A.Ş.	-	1	-	-
Yapı Kredi Finansal Kiralama A.O.	-	38	-	-
Netsel Turizm Yatırımları A.Ş.	-	1	-	-
Koç Topluluğu Spor Klubü Derneği	-	-	57	-
Ditaş Deniz İşletmeciliği A.Ş.	-	1	-	-
Shareholders				
Koç Holding A.Ş.	-	10	1.860	-
Investments accounted under equity method				
AES Entek Elektrik Üretimi A.Ş.	-	5.889	603	-
	470.943	160.417	24.000	-

(*) Group companies include Koç Group companies.

(**) Commission expense regarding LPG sold at Opet stations as of June 30, 2013 is TL 40.981 thousand (June 30, 2012 - TL 32.927 thousand). The commission expense mentioned above is evaluated as part of sales and accounted under income statement as sales discounts.

Aygaz Anonim Şirketi and Subsidiaries**Notes to the consolidated financial statements
as of June 30, 2013 (continued)**

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

18. Transactions with related parties (continued)

Transactions with related parties	January 1 - June 30, 2012			
	Purchases (Goods)	Sales (Goods)	Purchases (Services)	Sales (Services)
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	318.157	121.263	633	259
Arçelik A.Ş.	54.457	2.811	19	-
Opet Petrolcülük A.Ş.	52.936	464	1.095	-
Ram Dış Ticaret A.Ş.	13.407	-	132	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	7.092	227	9.271	-
Opet-Fuchs Madeni Yağlar	404	8	13	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	139	15	2.178	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	111	190	29	-
Tanı Pazarlama ve İletişim Hizmetleri A.Ş.	84	2	932	-
Koç Yapı Malzemeleri Ticaret A.Ş.	7	-	-	-
Otokoç Otomotiv Tic. ve San. A.Ş.	2	1.101	2.157	-
Oriente Klassik Giyim San.ve Tic.A.Ş.	1	-	-	-
Ford Otomotiv Sanayi A.Ş.	-	7.549	11	-
Demir Export A.Ş.	-	5.971	-	-
Tofaş Türk Otomobil Fabrikası A.Ş.	-	3.106	-	-
Türk Traktör ve Ziraat Makinaları A.Ş.	-	1.612	-	-
Otokar Otobüs Karoseri Sanayi A.Ş.	-	1.489	-	-
Harranova Besi ve Tarım Ürünleri A.Ş.	-	705	-	-
RMK Marine Gemi Yapım San. ve Deniz Taş. İşl. A.Ş.	-	593	-	-
Altinyunus Çeşme Turistik Tesisler. A.Ş.	-	363	-	-
Marmaris Altinyunus Turistik Tesisleri A.Ş.	-	188	-	-
Palmira Turizm Ticaret A.Ş.	-	161	-	-
Yapı Kredi Bankası A.Ş.	-	123	9	-
Tat Konserve Sanayi A.Ş.	-	113	-	-
Vehbi Koç Vakfı Koç Üniversitesi	-	92	88	-
Divan Turizm İşletmeleri	-	50	136	-
Yapı Kredi Sigorta A.Ş.	-	19	45	-
Düzey Tüketim Malları Pazarlama A.Ş.	-	18	234	-
Setur Servis Turistik A.Ş.	-	17	1.615	-
Yapı Kredi Emeklilik A.Ş.	-	11	-	-
Callus Bilgi ve İletişim Hizmetleri A.Ş.	-	8	610	-
Ark İnşaat A.Ş.	-	6	-	-
Vehbi Koç Vakfı Amerikan Hastanesi	-	5	6	-
THY Opet Havacılık Yakıtları A.Ş.	-	5	-	-
Rahmi Koç Müzecilik	-	5	-	-
Yapı Kredi Yatırım Menkul Değerler A.Ş.	-	4	10	-
Akdeniz Akaryakıt Depolama	-	4	-	-
Koç Tüketici Finansmanı A.Ş.	-	4	-	-
Yapı Kredi Finansal Kiralama A.O.	-	2	-	-
Tek-Art Kalamış ve Fenerbahçe Mar. Tur. Tes. A.Ş.	-	2	-	-
Bilkom Bilişim Hizmetleri A.Ş.	-	2	-	-
Beykoz Tankercilik	-	2	-	-
Netsel Turizm Yatırımları A.Ş.	-	1	-	-
Ditaş A.Ş.	-	1	-	-
Yapı Kredi Faktoring A.Ş.	-	1	3	-
Vehbi Koç Vakfı	-	1	-	-
Katron A.Ş. (**)	-	1	-	-
Digital Panorama	-	1	-	-
Kadıköy Tankercilik	-	1	-	-
Üsküdar Tankercilik	-	1	-	-
East Marine Denizcilik ve Turizm A.Ş.	-	1	-	-
Yapı Kredi Portföy Yönetimi A.Ş.	-	1	-	-
Koç Holding Emekli ve Yardım Sandığı Vakfı	-	1	-	-
Setair Hava Taşımacılığı ve Hizm. A.Ş.	-	-	1.822	-
Promena Elektronik Ticaret A.Ş.	-	-	76	-
Yapı Kredi Kültür Sanat Yayıncılık Tic.ve San. A.Ş.	-	-	20	-
East Marine	-	-	10	-
Koç-Yönder	-	-	3	-
Shareholders				
Koç Holding A.Ş.	-	11	1.733	-
Investments accounted under equity method				
AES Entek Elektrik Üretimi A.Ş.	-	7	290	-
	446.797	148.339	23.180	259

(*) 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.

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

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the consolidated financial statements
as of June 30, 2013 (continued)**

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

18. Transactions with related parties (continued)

January 1 - June 30, 2013				
Tangible asset and rent transactions with related parties	Rent income	Rent expense	Fixed asset purchases	Fixed asset sales
Group companies (*)				
Opet Petrolcülük A.Ş.	224	9	-	-
Zinerji Enerji Sanayi ve Ticaret A.Ş.	2	-	-	-
Küsel Ltd.Şti.	1	-	-	-
Arçelik A.Ş.	-	-	1	-
Yapı Kredi Bankası A.Ş.	-	97	-	-
Otokoç Otomotiv Tic. ve San. A.Ş.	-	937	53	15
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	317	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	-	-	29	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	-	-	2	-
	227	1.043	402	15

January 1 - June 30, 2012				
Tangible asset and rent transactions with related parties	Rent income	Rent expense	Fixed asset purchases	Fixed asset sales
Group companies (*)				
Opet Petrolcülük A.Ş.	211	9	-	-
Zinerji Enerji Sanayi ve Ticaret A.Ş.	1	-	-	-
Yapı Kredi Bankası A.Ş.	-	97	-	-
Otokoç Otomotiv Tic. ve San. A.Ş.	-	59	168	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	627	-
Otokar Otobüs Karoseri Sanayi A.Ş.	-	-	230	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	-	-	30	901
Koçtaş Yapı Marketleri Ticaret A.Ş.	-	-	2	-
Shareholders				
Temel Ticaret ve Yatırım A.Ş.	-	31	-	-
	212	196	1.057	901

(*) Group companies include Koç Group companies.

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

Aygaz Anonim Şirketi and Subsidiaries

Notes to the consolidated financial statements

as of June 30, 2013 (continued)

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

18. Transactions with related parties (continued)

Financial and other transactions with related parties	January 1 - June 30, 2013			
	Financial income	Financial expense	Other income	Other expense
Group companies (*)				
Yapı Kredi Bankası A.Ş.	2.539	859	-	-
Investments accounted under equity method				
AES Entek Elektrik Üretimi A.Ş.	1.276	-	-	-
	3.815	859	-	-

Financial and other transactions with related parties	January 1 - June 30, 2012			
	Financial income	Financial expense	Other income	Other expense
Group companies (*)				
Yapı Kredi Bankası A.Ş.	6.553	4.351	-	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	-	-	202	-
Investments accounted under equity method				
AES Entek Elektrik Üretimi A.Ş.	560	-	-	-
	7.113	4.351	202	-

Deposits at banks	June 30, 2013	December 31, 2012
Group companies (*)		
Yapı Kredi Bankası A.Ş.	67.153	76.894
Credit card receivables	June 30, 2013	December 31, 2012
Group companies (*)		
Yapı Kredi Bankası A.Ş.	20.862	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 include 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 June 30, 2013 is TL 3.186 thousand (June 30, 2012: TL 2.131 thousand).

Aygaz Anonim Şirketi and Subsidiaries**Notes to the consolidated financial statements****as of June 30, 2013 (continued)****(Amounts expressed in thousands of Turkish Lira (“TL”) and in thousands for other currencies unless otherwise indicated.)****19. Nature and level of risk derived from financial instruments****a) Financial risk factors**

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

Foreign currency risk management

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

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

June 30, 2013		Total TL equivalent	TL equivalent of USD	TL equivalent of Euro	TL equivalent of other
1.	Trade receivables	30.153	29.551	602	-
2.a	Monetary financial assets	15.572	14.587	764	221
2.b	Non monetary financial assets	-	-	-	-
3.	Other	-	-	-	-
4.	Current assets	45.725	44.138	1.366	221
5.	Trade receivables	-	-	-	-
6.a	Monetary financial assets	-	-	-	-
6.b	Non monetary financial assets	-	-	-	-
7.	Other	-	-	-	-
8.	Non current assets	-	-	-	-
9.	Total assets	45.725	44.138	1.366	221
10.	Trade payables	(145.904)	(145.801)	-	(103)
11.	Financial liabilities	-	-	-	-
12.a	Other monetary financial liabilities	-	-	-	-
12.b	Other non monetary financial liabilities	-	-	-	-
13.	Current liabilities	(145.904)	(145.801)	-	(103)
14.	Trade payables	-	-	-	-
15.	Financial liabilities	-	-	-	-
16.a	Other monetary financial liabilities	-	-	-	-
16.b	Other non monetary financial liabilities	-	-	-	-
17.	Non current liabilities	-	-	-	-
18.	Total liabilities	(145.904)	(145.801)	-	(103)
19.	Net asset / liability position of off balance sheet liabilities (19a-19b)	30.233	30.233	-	-
19.a	Total hedged assets	30.233	30.233	-	-
19.b	Total hedged liabilities	-	-	-	-
20.	Net foreign currency asset / liability position	(69.946)	(71.430)	1.366	118
21.	Net foreign currency asset / liability position of monetary items (1+2a+6a+10+11+12a+14+15+16a)	(69.946)	(71.430)	1.366	118
22.	Fair value of foreign currency hedged financial assets	-	-	-	-
23.	Hedged foreign currency assets	-	-	-	-
24.	Hedged foreign currency liabilities	-	-	-	-
25.	Export	311.471	306.905	4.566	-
26.	Import	946.237	939.630	6.500	107

Aygaz Anonim Şirketi and Subsidiaries**Notes to the consolidated financial statements****as of June 30, 2013 (continued)****(Amounts expressed in thousands of Turkish Lira (“TL”) and in thousands for other currencies unless otherwise indicated.)****19. Nature and level of risk derived from financial instruments (continued)**

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 June 30, 2013, the Group has LPG amounting to TL 70.887 thousand (December 31, 2012 TL 110.739 thousand).

December 31, 2012		Total TL equivalent	TL equivalent of USD	TL equivalent of Euro	TL equivalent of other
1.	Trade receivables	30.881	30.352	529	-
2.a	Monetary financial assets	23.209	21.266	1.780	163
2.b	Non monetary financial assets	-	-	-	-
3.	Other	-	-	-	-
4.	Current assets	54.090	51.618	2.309	163
5.	Trade receivables	-	-	-	-
6.a	Monetary financial assets	-	-	-	-
6.b	Non monetary financial assets	-	-	-	-
7.	Other	-	-	-	-
8.	Non current assets	-	-	-	-
9.	Total assets	54.090	51.618	2.309	163
10.	Trade payables	(100.719)	(99.669)	(1.007)	(43)
11.	Financial liabilities	-	-	-	-
12.a	Other monetary financial liabilities	-	-	-	-
12.b	Other non monetary financial liabilities	-	-	-	-
13.	Current liabilities	(100.719)	(99.669)	(1.007)	(43)
14.	Trade payables	-	-	-	-
15.	Financial liabilities	-	-	-	-
16.a	Other monetary financial liabilities	-	-	-	-
16.b	Other non monetary financial liabilities	-	-	-	-
17.	Non current liabilities	-	-	-	-
18.	Total liabilities	(100.719)	(99.669)	(1.007)	(43)
19.	Net asset / liability position of off balance sheet asset and liabilities (19a-19b)	-	-	-	-
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

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

Aygaz Anonim Şirketi and Subsidiaries

Notes to the consolidated financial statements

as of June 30, 2013 (continued)

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

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

As of June 30, 2013 and December 31, 2012, the sensitivity analysis of the Group’s pre-tax income related to 10% change in USD and Euro (when other variables are held constant) are as follows:

	June 30, 2013			
	Foreign exchange appreciation	Gain/Loss Foreign exchange depreciation	Foreign exchange appreciation	Equity Foreign exchange depreciation
+/-10% fluctuation of USD rate				
USD net asset/liability	(7.143)	7.143	(7.143)	7.143
Secured portion from USD risk	-	-	-	-
USD net effect	(7.143)	7.143	(7.143)	7.143
+/-10% fluctuation of Euro rate				
Euro net asset/liability	137	(137)	137	(137)
Secured portion from Euro risk	-	-	-	-
Euro net effect	137	(137)	137	(137)
	(7.006)	7.006	(7.006)	7.006

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

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

Aygaz Anonim Şirketi and Subsidiaries

Notes to the consolidated financial statements

as of June 30, 2013 (continued)

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

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

Currency forward agreements

Currency forward agreements which are valid as of June 30, 2013 and December 31, 2012 are summarized at the tables below:

					June 30, 2013	
Maturity	Parity	Type of contract	Transaction	Total amount	Currency	
1 to 3 months	1,8114-1,8800	Forward	Sells TL, buys USD	15.320	USD	
3 to 6 months	1,8857	Forward	Sells TL, buys USD	900	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			
	June 30, 2013	1st Level	2nd Level	3rd Level
Available-for-sale financial assets (*)	323.596	38	323.558	-
Forward transactions	1.182	-	1.182	-

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 June 30, 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.

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

Aygaz Anonim Şirketi and Subsidiaries

Notes to the consolidated financial statements as of June 30, 2013 (continued)

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

19. 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.

20. Events after balance sheet date

On July 24, 2013, a tax inspection has been started by the Supervisory Board of the Ministry of Finance and such inspection is still ongoing by the time of preparation of the financial statement.