

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

Aygaz Anonim Őirketi and Subsidiaries

**January 1 – June 30, 2012 interim condensed
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 condensed consolidated financial statements
for the period January 1 – June 30, 2012**

To the Board of Directors of Aygaz Anonim Şirketi:

Introduction

We have reviewed the accompanying interim 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, 2012 and related interim consolidated income statement, consolidated 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 condensed consolidated financial statements in accordance with financial reporting standards published by Capital Markets Board of Turkey ("CMB"). Our responsibility is to express a conclusion on these interim condensed 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 financial information 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with financial reporting standards issued by Capital Markets Board of Turkey.

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 28, 2012
İstanbul, Turkey

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

Aygaz Anonim Şirketi and Subsidiaries

Consolidated balance sheet as at June 30, 2012

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

		Current period (Reviewed)	Prior period (Audited)
		June 30, 2012	December 31, 2011
Assets	Notes		
Current assets			
Cash and cash equivalents	5	136.746	254.302
Other financial assets	7	45	-
Trade receivables		319.915	299.099
-Due from related parties	21	17.703	23.370
-Other trade receivables	8	302.212	275.729
Other receivables	14	4.027	3.826
Inventories	9	195.251	183.891
Other current assets	15	49.716	42.312
Total current assets		705.700	783.430
Non-current assets			
Trade receivables	8	4.790	2.124
Other receivables	14	32.794	39
Financial investments	6	250.766	243.868
Investments accounted under equity method	10	1.065.157	1.020.096
Property, plant and equipment	11	584.167	572.806
Intangible assets	12	37.007	39.671
Deferred tax asset	20	100	78
Other non-current assets	15	46.645	50.011
Total non-current assets		2.021.426	1.928.693
Total assets		2.727.126	2.712.123

The accompanying accounting policies and notes presented between pages 9 and 47 form an integral part of these consolidated financial statements.

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

Aygaz Anonim Şirketi and Subsidiaries

Consolidated balance sheet as at June 30, 2012

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

		Current period (Reviewed)	Prior period (Audited)
Liabilities	Notes	June 30, 2012	December 31, 2011
Short term liabilities			
Other financial liabilities	7	-	27
Trade payables		284.116	252.271
- <i>Due to related parties</i>	21	112.093	87.039
- <i>Other trade payables</i>	8	172.023	165.232
Other payables	14	3.227	19.469
Current tax liabilities	20	4.378	5.826
Provision for other liabilities		2.293	3.381
Other short term liabilities	15	178.143	158.152
Total short term liabilities		472.157	439.126
Long term liabilities			
Financial borrowings			
Other payables	14	68.950	66.991
Provision for employment termination benefits		18.478	16.756
Deferred tax liabilities	20	33.418	34.619
Total non-current liabilities		120.846	118.366
Equity			
Share capital	16	300.000	300.000
Inflation adjustment to share capital	16	71.504	71.504
Adjustment to share capital		(7.442)	(7.442)
Valuation fund on financial assets		150.957	144.407
Currency translation adjustment		1.097	1.312
Restricted reserves		(4.247)	(6.483)
Risk hedge fund	16	307.846	384.230
Retained earnings		1.193.035	886.954
Net profit for the period		120.869	379.697
Equity attributable to equity holders of the parent		2.133.619	2.154.179
Non-controlling interests		504	452
Total equity		2.134.123	2.154.631
Total liabilities and equity		2.727.126	2.712.123

The accompanying accounting policies and notes presented between pages 9 and 47 form an integral part of these consolidated financial statements.

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

Aygaz Anonim Şirketi and Subsidiaries

Consolidated income statement

for the six month interim period ended June 30, 2012

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

	Notes	Reviewed		Reviewed	
		January 1 - June 30, 2012	April 1 - June 30, 2012	January 1 - June 30, 2011	April 1 - June 30, 2011
Sales revenue (net)		2.652.790	1.259.218	2.493.661	1.240.895
Cost of sales (-)		(2.431.052)	(1.152.989)	(2.274.277)	(1.126.047)
Gross profit		221.738	106.229	219.384	114.848
Marketing, sales and distribution expenses (-)		(101.067)	(53.664)	(93.072)	(53.956)
General administrative expenses (-)		(53.996)	(27.617)	(48.300)	(22.786)
Research and development expenses (-)		(957)	(666)	(814)	(602)
Other operating income		16.020	6.935	209.715	12.038
Other operating expenses (-)		(2.305)	(1.819)	(9.142)	(6.357)
Operating profit		79.433	29.398	277.771	43.185
Profit from investments accounted under equity method		43.039	2.549	34.314	8.065
Finance income	18	36.241	8.111	132.527	72.009
Finance expense (-)	19	(20.058)	(5.690)	(135.629)	(72.959)
Profit before tax		138.655	34.368	308.983	50.300
Tax income / (expense)					
- Current tax expense for the period	20	(19.337)	(4.257)	(28.010)	(10.863)
- Deferred tax income / (expense)	20	1.567	(1.631)	5.870	2.202
Net profit for the period		120.885	28.480	286.843	41.639
Profit attributable to:					
Non-controlling interest		16	20	(854)	(619)
Equity holders of the parent		120.869	28.460	287.697	42.258
Earnings per share (TL)	17	0,402897	0,094867	0,958990	0,140860

The accompanying accounting policies and notes presented between pages 9 and 47 form an integral part of these consolidated financial statements.

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

Aygaz Anonim Şirketi and Subsidiaries

**Consolidated comprehensive income statement
for the six month interim period ended June 30, 2012**

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

	Reviewed		Reviewed	
	January 1 - June 30, 2012	April 1 - June 30, 2012	January 1 - June 30, 2011	April 1 - June 30, 2011
Profit for the period	120.885	28.480	286.843	41.639
Other comprehensive income / (loss):				
Change in valuation fund on financial assets	6.550	6.550	(26.201)	(26.201)
Change in financial risk hedging reserve	2.236	548	(298)	(157)
Change in currency translation reserve	(215)	97	175	186
Other comprehensive income / (loss) (after tax)	8.571	7.195	(26.324)	(26.172)
Total comprehensive income	129.456	35.675	260.519	15.467
Attributable to:				
Non-controlling interest	16	20	(854)	(619)
Equity holders of the parent	129.440	35.655	261.373	16.086
	129.456	35.675	260.519	15.467

The accompanying accounting policies and notes presented between pages 9 and 47 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 six month interim period ended June 30, 2012

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

	Share capital	Inflation adjustment to share capital	Adjustment to share capital	Valuation fund on financial assets	Currency translation adjustment	Restricted reserves	Financial risk hedging reserve	Retained earnings	Net profit for the period	Equity attributable to equity holders of the parent	Non-controlling interest	Total equity
Balance as of January 1, 2011	300.000	71.504	(7.442)	223.010	476	373.230	(5.690)	783.489	239.465	1.978.042	35.866	2.013.908
Transfers from retained earnings	-	-	-	-	-	11.000	-	228.465	(239.465)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(125.000)	-	(125.000)	-	(125.000)
Transfers with minority shares (note 3)	-	-	-	-	-	-	-	-	-	-	(1.922)	(1.922)
Comprehensive income / (loss) for the period	-	-	-	(26.201)	175	-	(298)	-	287.697	261.373	(854)	260.519
Balance as of June 30, 2011	300.000	71.504	(7.442)	196.809	651	384.230	(5.988)	886.954	287.697	2.114.415	33.090	2.147.505
Balance as of January 1, 2012	300.000	71.504	(7.442)	144.407	1.312	384.230	(6.483)	886.954	379.697	2.154.179	452	2.154.631
Transfers from retained earnings	-	-	-	-	-	-	-	379.697	(379.697)	-	-	-
Dividends paid (note 16)	-	-	-	-	-	-	-	(150.000)	-	(150.000)	-	(150.000)
Transfers to reserves (note 16)	-	-	-	-	-	(76.384)	-	76.384	-	-	-	-
Transactions with minority shares	-	-	-	-	-	-	-	-	-	-	36	36
Comprehensive income / (loss) for the period	-	-	-	6.550	(215)	-	2.236	-	120.869	129.440	16	129.456
Balance as of June 30, 2012	300.000	71.504	(7.442)	150.957	1.097	307.846	(4.247)	1.193.035	120.869	2.133.619	504	2.134.123

The accompanying accounting policies and notes presented between pages 9 and 47 form an integral part of these consolidated financial statements.

Aygaz Anonim Şirketi and Subsidiaries

**Consolidated cash flow statement
for the six month interim period ended June 30, 2012
(Amounts expressed in thousands of Turkish Lira (“TL”) and in thousands for other currencies unless
otherwise indicated.)**

		Reviewed	Reviewed
	Notes	January 1- June 30, 2012	January 1- June 30, 2011
Cash flows from operating activities			
Profit before tax		138.655	308.983
Adjustments to reconcile net income before tax to net cash provided by operating activities:			
Income from equity participations	10	(43.039)	(34.314)
Depreciation of property, plant and equipment	11	36.520	36.588
Amortization of intangible assets	12	2.828	996
Other provisions		26.294	22.524
Income from revaluation of cost of subsidiary		-	(82.470)
Provision for retirement pay		3.142	3.134
Profit on sale of tangible/intangible assets (net)		(2.873)	(1.814)
Allowance for doubtful receivables		464	178
Accrual for forward income	18	(244)	(58)
Accrual for forward expense	19	766	-
Interest income	18	(10.172)	(8.294)
Interest expense	19	-	773
Profit on sale of subsidiary		-	(112.158)
Other		31	9
Operating cash flow before changes in working capital		152.372	134.077
Changes in working capital:			
Trade receivables		(29.613)	(37.411)
Due from related parties		5.667	(9.118)
Inventories		(11.360)	(28.750)
Other receivables and current assets		(7.612)	(13.778)
Trade payables		6.791	(24.843)
Due to related parties		25.054	(10.161)
Other payables and liabilities		(23.660)	5.296
Other non-current receivables and payables		(27.430)	3.702
Net cash generated from operating activities		90.209	19.014
Income taxes paid		(20.823)	(29.331)
Retirement pay paid		(1.420)	(1.598)
Net cash generated from / (used in) operations		67.966	(11.915)
Cash flows from investing activities			
Interest received	19	10.172	8.294
Cash generated from sale of subsidiary (net)		-	212.233
Purchases for property, plant and equipment	11	(49.871)	(42.905)
Purchases for intangible assets	12	(164)	(11)
Proceeds of sale of tangible/intangible assets		4.863	3.393
Net cash generated from / (used in) investing activities		(35.000)	181.004
Cash flows from financing activities			
Income on forward transactions		(766)	-
Expense on forward transactions		244	-
Changes in financial borrowings		-	(151.205)
Dividends paid	16	(150.000)	(125.000)
Net cash used in financing activities		(150.522)	(276.205)
Net decrease in cash and cash equivalents		(117.556)	(107.116)
Cash and cash equivalents at the beginning of the period	5	254.302	362.887
Cash and cash equivalents at the end of the period	5	136.746	255.771

The accompanying accounting policies and notes presented between pages 9 and 47 form an integral part of these consolidated financial statements.

Aygaz Anonim Şirketi and Subsidiaries

Notes to the condensed consolidated financial statements for the six month interim period ended June 30, 2012

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

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

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

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

Average number of personnel of Aygaz and its subsidiaries (together with referred to as “the Group”) for the interim period ended June 30, 2012 is 1.308 (December 31, 2011: 1.339).

Subsidiaries

Mogaz Petrol Gazları A.Ş. (“Mogaz”), a subsidiary of the Company, is a LPG distribution company. The Group has purchased 2,1% share of Mogaz in March 2010 by paying TL 5.300 thousand and raised its effective control to 99,99%.

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.

Aygaz Doğal Gaz Toptan Satış A.Ş. (previously “Koç Statoil Gaz Toptan Satış A.Ş.”) and Aygaz Doğal Gaz İletim A.Ş. (previously “Koç Statoil Gaz İletim A.Ş.”) (together “Aygaz Doğal Gaz”) were established in April 2004 with equal shares distribution as a result of the joint venture agreement between Koç Group and Norwegian Statoil Hydro ASA which is one of the leading companies in international fuel and liquid natural gas (LNG) market. On January 9, 2009 the Group has acquired 50% shares of Aygaz Doğal Gaz Toptan Satış A.Ş. and Aygaz Doğal Gaz İletim A.Ş., which were the joint ventures accounted with proportionate consolidation method with effective ownership of 47,99%, from Statoil Hydro ASA paying TL 17.224 thousand for these shares and increased the effective control to 97,99%. In 2010, related to the purchase of Mogaz shares, stated above, the Group’s effective control at Aygaz Doğal Gaz has been raised to 99,00%. Main activity of 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 and to build related equipment.

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 Company’s share in Aygaz Doğal Gaz Toptan Satış A.Ş. has increased to 99,16%. Aygaz Doğal Gaz İletim A.Ş. has increased 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 Company’s share in Aygaz Doğal Gaz İletim A.Ş. has increased to 99,58%

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements
for the six month interim period ended June 30, 2012 (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, 2012	December 31, 2011	Voting power right	
Mogaz	Turkey	99,99%	99,99%	99,99%	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	99,99%	99,99%	99,99%	Marketing
Aygaz Doğal Gaz Toptan Satış A.Ş.	Turkey	99,16%	99,00%	99,16%	Natural gas
Aygaz Doğal Gaz İletim A.Ş.	Turkey	99,58%	99,00%	99,58%	Natural gas

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.

Eltek Elektrik Enerjisi İthalat İhracat ve Toptan Ticaret A.Ş. (“Eltek”), was established at the end of 2003 with 46% participation of Entek Elektrik Üretimi A.Ş. (“Entek”) and mainly engaged in wholesale, purchase, export and import of electricity. In July, 2010 Entek has purchased 54% of Eltek’s shares by paying TL 1.836 thousand and accordingly the effective control has increased to 100%. After sale of Entek shares mentioned below, Group’s effective control on Eltek has decreased to 24,81%.

Entek Elektrik Üretimi A.Ş. operates as electricity producer with its 3 facilities in Bursa, İzmit and İstanbul. In 2009, 15,51% of shares were purchased by the Group and this purchase raised Group’s effective control to 86,01%. In 2010, related with the purchase of Mogaz shares stated in subsidiaries section, the Group’s effective control on Entek has been raised to 86,09%. As explained in detail in note 3, Group had decided to sell 49,62% shares of Entek, which was the Group’s subsidiary with 86,09% ownership, to AES Mont Blanc Holdings B.V. Accordingly with the sale of shares realized on February 28, 2011, the Group’s effective control has decreased to 36,47% and classified as joint venture and accounted with proportionate consolidation method. The business name of the company has been changed to AES Entek Elektrik Üretimi A.Ş. (“AES Entek”). In the Board of Directors meeting held on August 2, 2011, the Group had decided to sell its 166.034.110 shares, amounting to TL 8.302 thousand, representing 8,39% of shares of AES Entek Elektrik Üretimi A.Ş. with nominal value of 5 Kr. to Koç Holding A.Ş. in exchange of USD 25.299 thousand, in cash. The sales transaction has been finalized in October 2011. Additionally, shares of the Group’s subsidiary Mogaz with a nominal value of TL 3.238 thousand, representing 3,27% of AES Entek Elektrik Üretimi A.Ş. had been sold to Koç Holding A.Ş. in October 2011 in exchange of USD 9.869 thousand, in cash. After these share transactions, Group’s effective control on AES Entek has decreased to 24,81%. Accordingly, AES Entek has been accounted with equity method in accompanying consolidated financial statements beginning from October 7, 2011.

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements
for the six month interim period ended June 30, 2012 (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, 2012	December 31, 2011	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
Eltek Elektrik Enerjisi İthalat İhracat ve Toptan Ticaret A.Ş. (“Eltek”)	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 financial statements:

The consolidated financial tables for the period ended on June 30, 2012 are approved on the Board of Directors meeting held on August 28, 2012 to be published and are signed by Assistant General Manager (Finance) Gökhan Tezel and Subsidiaries and Accounting Director Nurettin Demirtaş.

2. Basis of presentation of financial statements

The Group’s condensed consolidated financial statements for the six month interim period ended on June 30, 2012 are prepared in accordance with International Accounting Standards (“IAS”) 34 “Interim Financial Reporting Standards”.

Interim condensed consolidated financial statements do not include all of the disclosures required in year-end financial statements and should be read together with the Group’s financial statements as of December 31, 2011.

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

2.1 Basis of presentation for consolidated financial statements

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

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

Aygaz Anonim Şirketi and Subsidiaries

Notes to the condensed consolidated financial statements for the six month interim period ended June 30, 2012 (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)

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

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the financial statements of the prior year and for the year ended December 31, 2011 and applicable beginning from January 1, 2012.

2.3 Comparative information and reclassifications on prior period financial statements

In order to enable determination of financial status and performance trends, the Group's condensed consolidated financial statements are prepared in comparison with prior period. In order to provide an accurate comparison with current period, comparative figures are reclassified when necessary and significant differences are explained. Necessary reclassifications have been made in consolidated balance sheet as of December 31, 2011.

- In the consolidated balance sheet as at December 31, 2011, fuel used for shipping operations which are recorded under “Inventories”, have been classified to “Other current assets”. Related with this reclassification, there has been a decrease in “Inventories” amounting to TL 2.093 thousand and an increase in “Other current assets” amounting to TL 2.093 thousand.
- In the consolidated balance sheet as at December 31, 2011, credit card payables, which are recorded under “Financial borrowings” have been classified to “Other trade payables”. Related with this reclassification, there has been a decrease in “Financial borrowings” amounting to TL 1.764 thousand and an increase in “Other trade payables” amounting to TL 1.764 thousand.

2.4 Convenience translation to English

The accounting principles described in Note 2 to the consolidated financial statements (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 for the period between 1 January and 31 December 2005. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

2.5 New and amended standards and interpretations:

The accounting policies adopted in preparation of the interim condensed consolidated financial statements as at 30 June 2012 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of January 1, 2012. 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 condensed consolidated financial statements
for the six month interim period ended June 30, 2012 (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, 2012 are as follows:

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

IAS 12 has been updated to include i) a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale and ii) a requirement that deferred tax on non-depreciable assets, measured using the revaluation model in IAS 16, should always be measured on a sale basis. These amendments will be applied retrospectively. This standard has not yet been endorsed by the EU. Adoption of this amendment did not have any impact on the financial position or performance of the Group.

IFRS 7 Financial Instruments: Disclosures - Enhanced Derecognition Disclosure Requirements (Amended)

The purpose of this amendment is to allow users of financial statements to improve their understanding of transfer transactions of financial assets (e.g. securitizations), including understanding the possible effects of any risks that may remain with the entity which transferred the assets. The amendment also requires additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. Comparative disclosures are not required. The amendment affects disclosures only and did not have any impact on the financial position or performance of the Group.

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 are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, after the new standards and interpretations become in effect.

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

The amendments are effective for annual periods beginning on or after July 1, 2012, but earlier application is permitted. The amendments to IAS 1 change only the grouping of items presented in other comprehensive income. Items that could be reclassified (or ‘recycled’) to profit or loss at a future point in time would be presented separately from items which will never be reclassified. The amendments will be applied retrospectively. The amendment affects presentation only and will have no impact on the financial position or performance of the Group.

IAS 19 Employee Benefits (Amended)

Amended standard is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. With very few exceptions retrospective application is required. Numerous changes or clarifications are made under the amended standard. Among these numerous amendments, the most important changes are removing the corridor mechanism and making the distinction between short-term and other long-term employee benefits based on expected timing of settlement rather than employee entitlement. The Group is in the process of assessing the impact of the amended standard on the financial position or performance of the Group.

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

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(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)

IAS 27 Separate Financial Statements (Amended)

As a consequential amendment to IFRS 10 and IFRS 12, the IASB also amended IAS 27, which is now limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. Transitional requirement of this amendment is similar to IFRS 10. This standard has not yet been endorsed by the EU. This amendment will not have any impact on the financial position or performance of the Group.

IAS 28 Investments in Associates and Joint Ventures (Amended)

As a consequential amendment to IFRS 11 and IFRS 12, the IASB also amended IAS 28, which has been renamed IAS 28 Investments in Associates and Joint Ventures, to describe the application of the equity method to investments in joint ventures in addition to associates. Transitional requirement of this amendment is similar to IFRS 11. This standard has not yet been endorsed by the EU. The Group does not expect that this amendment will have any impact on the financial position or performance of the Group.

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

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

IFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities (Amended)

New disclosures would provide users of financial statements with information that is useful in (a) evaluating the effect or potential effect of netting arrangements on an entity’s financial position and (b) analyzing and comparing financial statements prepared in accordance with IFRSs and other generally accepted accounting standards. This standard has not yet been endorsed by the EU. The amendments are to be retrospectively applied for annual periods beginning on or after January 1, 2013 and interim periods within those annual periods. The amendment affects disclosures only and will have no impact on the financial position or performance of the Group.

IFRS 9 Financial Instruments – Classification and measurement

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

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements
for the six month interim period ended June 30, 2012 (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)

IFRS 10 Consolidated Financial Statements

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

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

IFRS 11 Joint Arrangements

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

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

IFRS 12 Disclosure of Interests in Other Entities

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

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

IFRS 13 Fair Value Measurement

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

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements
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(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)

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

The Interpretation is effective for annual periods beginning on or after January 1, 2013 with earlier application permitted. Entities will be required to apply its requirements for production phase stripping costs incurred from the start of the earliest comparative period presented. The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. This standard has not yet been endorsed by the EU. The interpretation is not applicable for the Group and will not have any impact on the financial position or performance of the Group.

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

The guidance is effective for annual periods beginning on or after January 1, 2013. The amendments change the transition guidance to provide further relief from full retrospective application. The date of initial application is defined as ‘the beginning of the annual reporting period in which IFRS 10 is applied for the first time’. The assessment of whether control exists is made at ‘the date of initial application’ rather than at the beginning of the comparative period. If the control assessment is different between IFRS 10 and IAS 27/SIC-12, retrospective adjustments should be determined. However, if the control assessment is the same, no retrospective application is required. If more than one comparative period is presented, additional relief is given to require only one period to be restated. For the same reasons IASB has also amended IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities to provide transition relief. This guidance has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the guidance on the financial position or performance of the Group.

Improvements to IFRSs

The IASB has issued the Annual Improvements to IFRSs – 2009 – 2011 Cycle, which contains amendments to its standards. The annual improvements project provides a mechanism for making necessary, but non-urgent, amendments to IFRS. The effective date for the amendments is for annual periods beginning on or after January 1, 2013. Earlier application is permitted in all cases, provided that fact is disclosed. This project has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the project on the financial position or performance of the Group.

IAS 1 Financial Statement Presentation:

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

IAS 16 Property, Plant and Equipment:

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

IAS 32 Financial Instruments: Presentation:

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

IAS 34 Interim Financial Reporting:

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

Aygaz Anonim Şirketi and Subsidiaries

Notes to the condensed consolidated financial statements for the six month interim period ended June 30, 2012 (continued) (Amounts expressed in thousands of Turkish Lira (“TL”) and in thousands for other currencies unless otherwise indicated.)

3. Business combinations

The Group, as declared to public disclosure platform of Turkey on December 1, 2010, in accordance with the board of directors meeting decision held on November 30, 2010, had decided to sell 49,62% shares of its subsidiary Entek with a nominal value of TL 49.079 thousand to be paid in cash, when share transfer procedures are completed, to AES-Mont Blanc Holdings B.V. in exchange of USD 136.455 thousand. As of December 31, 2010, the assets and liabilities of the subsidiary held for sale had been classified as assets and liabilities held for sale in accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”. At February 28, 2011 the Group, following the permits granted from EMRA (Energy Market Regulation Authority) and the Turkish Competition Authority, had completed the transfer of shares of Entek. Share transfer price of USD 136.455 thousand was paid in cash to the Company. The sales price, as declared in public disclosure dated December 1, 2010, had been revised based on the financial statements of Entek as of February 28, 2011 as USD 149.581 thousand after finalization of the process. In the Board of Directors meeting held on August 2, 2011, the Group had decided to sell its 166.034.110 shares, amounting to TL 8.302 thousand, representing 8,39% of shares of AES Entek Elektrik Üretimi A.Ş. with nominal value of 5 Kr. to Koç Holding A.Ş. in exchange of USD 25.299 thousand, in cash. Additionally shares of the Group’s subsidiary Mogaz with a nominal value of TL 3.238 thousand, representing 3,27% of AES Entek Elektrik Üretimi A.Ş. have been sold to Koç Holding A.Ş. in exchange of USD 9.869 thousand, in cash. The sales transaction had been finalized by completing the requirements of energy market and other related regulations and announced at October 7, 2011. After these share transactions, Group’s effective control on AES Entek has decreased to 24,81%. Accordingly, AES Entek has been accounted with equity method in accompanying consolidated financial statements beginning from October 7, 2011.

Sale of Entek’s shares realized in February 28, 2011 had been accounted in accordance with IFRS 3 “Business Combinations” by considering as sale of subsidiary and acquisition of 36,47% shares back. Group had calculated revaluated cost of 36,47% of Entek based on the sales price and had accounted the difference between revalued amount and net asset value of Entek that belongs to the Group as at sales date, as goodwill in interim consolidated financial statements in accordance with transition statements of IFRS 3. As of June 30, 2011, Group has accounted the income amounting to TL 194.629 thousand under “Other operating income” related with the sales of shares of Entek and revaluated cost calculations that amounts to TL 112.159 thousand and TL 82.470 thousand respectively.

The Group has completed the “Purchase price allocation” work required by IFRS 3 – Business Combinations and has calculated goodwill amounting to TL 32.023 thousand for the remaining 24,81% shares and reflected the amount under its financial investments as addition to revalued cost.

Acquisition amount (*)	118.930
Acquired net assets (**)	86.907
Goodwill	32.023

(*) States the revalued cost of 24,81% of the investment.

(**) Represents net assets, after purchase price allocation in accordance with IFRS 3, as of February 28, 2011.

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements
for the six month interim period ended June 30, 2012 (continued)**
(Amounts expressed in thousands of Turkish Lira (“TL”) and in thousands for other currencies unless otherwise indicated.)

3. Business combinations (continued)

The fair value of the identifiable assets and liabilities (24,81%) of AES Entek according to purchase price allocation in accordance with IFRS 3:

	February 28, 2011 Fair value
Cash and cash equivalents	12.621
Trade receivables	7.426
Due from related parties	1.045
Property, plant and equipment	84.837
Intangible assets	963
Other assets	2.941
Financial borrowings	(5.228)
Trade payables	(7.845)
Due to related parties	(56)
Deferred tax liabilities	(8.553)
Other liabilities	(1.244)
Net assets acquired (24,81%)	86.907

As of December 31, 2011, Group has accounted the income amounting to TL 204.561 thousand under “Other operating income” related with the sales of shares of AES Entek and revalued cost calculations.

After the above mentioned sales transactions, the Group’s ownership on AES Entek has decreased to 24,81% and after the completion of sale of such shares, AES Entek has been accounted with equity method in the consolidated financial statements prepared as of December 31, 2011. After the first sale of shares realized in February 2011, AES Entek had been proportionally consolidated as a joint venture of the Group and after the second sale of shares in October, AES Entek has become an investment in associate. Accordingly, in 2011, AES Entek’s income/loss amount has been fully consolidated for January and February whereas proportionally for the period March – September.

4. 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 IFRS financial statements. Therefore, IFRS financial statements are the basis of segmental reporting. The Group evaluates the performance of its segments based on gross profit and operating profit.

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

Aygaz Anonim Şirketi and Subsidiaries

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

As of June 30, 2012 and December 31, 2011, assets and liabilities according to industrial segments are as follows:

	June 30, 2012				
	Gas and petroleum products	Electricity (*)	Other	Consolidation adjustments	Total
Assets					
Current assets	662.046	-	104.125	(60.471)	705.700
Non-current assets	1.933.230	-	119.227	(31.031)	2.021.426
Total assets	2.595.276	-	223.352	(91.502)	2.727.126
Liabilities					
Short term liabilities	482.635	-	49.994	(60.472)	472.157
Long term liabilities	114.225	-	5.470	1.151	120.846
Equity	1.998.416	-	167.888	(32.181)	2.134.123
Total liabilities and equity	2.595.276	-	223.352	(91.502)	2.727.126
Investments accounted under equity method	955.352	109.805	-	-	1.065.157
	December 31, 2011				
	Gas and petroleum products	Electricity (*)	Other	Consolidation adjustments	Total
Assets					
Current assets	723.597	-	95.445	(35.612)	783.430
Non-current assets	1.880.757	-	123.276	(75.340)	1.928.693
Total assets	2.604.354	-	218.721	(110.952)	2.712.123
Liabilities					
Short term liabilities	432.802	-	41.937	(35.613)	439.126
Long term liabilities	112.559	-	4.932	875	118.366
Equity	2.058.993	-	171.852	(76.214)	2.154.631
Total liabilities and equity	2.604.354	-	218.721	(110.952)	2.712.123
Investments accounted under equity method	905.463	114.633	-	-	1.020.096

(*) Beginning from October 7, 2011, “AES Entek” is accounted with equity method (note 3).

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

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements
for the six month interim period ended June 30, 2012 (continued)**
(Amounts expressed in thousands of Turkish Lira (“TL”) and in thousands for other currencies unless otherwise indicated.)

4. Segment reporting (continued)

For the period ended June 30, 2012 and 2011, income statements according to industrial segments are as follows:

	January 1 - June 30, 2012				
	Gas and petroleum products	Electricity (*)	Other	Consolidation adjustments	Total
Sales revenue (net)	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
Marketing, sales and distribution expenses (-)	(96.930)	-	(4.137)	-	(101.067)
General administrative expenses (-)	(48.698)	-	(5.813)	515	(53.996)
Research and development expenses (-)	(957)	-	-	-	(957)
Other operating income	26.736	-	997	(11.713)	16.020
Other operating expenses (-)	(2.000)	-	(1.744)	1.439	(2.305)
Operating profit / (loss)	80.798	-	7.367	(8.732)	79.433
Profit / (loss) from investments accounted under equity method	-	-	-	43.039	43.039
Finance income	32.262	-	3.979	-	36.241
Finance expense (-)	(17.309)	-	(2.749)	-	(20.058)
Profit before tax	95.751	-	8.597	34.307	138.655
Tax income / (expense)					
- Income tax expense for the period (-)	(18.240)	-	(1.097)	-	(19.337)
- Deferred tax income / (expense)	1.609	-	22	(64)	1.567
Net profit for the period	79.120	-	7.522	34.243	120.885
Attributable to:					
Non-controlling interest	16	-	-	-	16
Equity holders of the parent	79.104	-	7.522	34.243	120.869
Investments accounted under equity method	47.866	(4.827)	-	-	43.039

(*) Beginning from October 7, 2011, “AES Entek” is accounted with equity method (note 3).

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

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements
for the six month interim period ended June 30, 2012 (continued)**
(Amounts expressed in thousands of Turkish Lira (“TL”) and in thousands for other currencies unless otherwise indicated.)

4. Segment reporting (continued)

	January 1 - June 30, 2011				
	Gas and petroleum products	Electricity (*)	Other	Consolidation adjustments	Total
Sales revenue (net)	2.263.715	103.113	172.274	(45.441)	2.493.661
Cost of sales (-)	(2.057.740)	(103.371)	(159.216)	46.050	(2.274.277)
Gross profit	205.975	(258)	13.058	609	219.384
Marketing, sales and distribution expenses (-)	(90.629)	-	(2.961)	518	(93.072)
General administrative expenses (-)	(40.326)	(4.624)	(4.387)	1.037	(48.300)
Research and development expenses (-)	(814)	-	-	-	(814)
Other operating income	175.207	63	996	33.449	209.715
Other operating expenses (-)	(7.793)	(1.326)	(32)	9	(9.142)
Operating profit / (loss)	241.620	(6.145)	6.674	35.622	277.771
Profit / (loss) from investments accounted under equity method	-	-	-	34.314	34.314
Finance income	125.158	3.840	3.481	48	132.527
Finance expense (-)	(130.147)	(3.218)	(2.264)	-	(135.629)
Profit / (loss) before tax	236.631	(5.523)	7.891	69.984	308.983
Tax income / (expense)					
- Income tax expense for the period (-)	(25.830)	(1.098)	(1.082)	-	(28.010)
- Deferred tax income / (expense)	3.215	2.671	(25)	9	5.870
Net profit / (loss) for the period	214.016	(3.950)	6.784	69.993	286.843
Attributable to:					
Non-controlling interest	9	(863)	-	-	(854)
Equity holders of the parent	214.007	(3.087)	6.784	69.993	287.697
Investments accounted under equity method	34.314	-	-	-	34.314

The amortization and depreciation expense for the industrial segmental assets for the period ended on June 30, 2012 and 2011 are as follows:

	January 1 - June 30, 2012	January 1 - June 30, 2011
Gas and petroleum products	36.028	31.502
Electricity (*)	-	4.398
Other	3.320	1.684
	39.348	37.584

(*) Beginning from October 7, 2011, “AES Entek” is accounted with equity method (note 3).

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

Aygaz Anonim Şirketi and Subsidiaries

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

The investment expenditures for the industrial segmental assets for the periods ended on June 30, 2012 and 2011 are as follows:

	January 1 - June 30, 2012	January 1 - June 30, 2011
Gas and petroleum products	49.501	41.240
Electricity (*)	-	977
Other	534	699
	50.035	42.916

(*) Beginning from October 7, 2011, “AES Entek” is accounted with equity method (note 3).

5. Cash and cash equivalents

	June 30, 2012	December 31, 2011
Cash on hand	313	458
Cash at banks	115.506	234.922
- Demand deposits	17.581	31.168
- Time deposits	97.925	203.754
Receivables from credit card transactions	20.927	18.922
Total cash and cash equivalents	136.746	254.302

As of June 30, 2012 the Group’s TL time deposits amounting to TL 50.006 thousand have maturities of 2 – 30 days and interest rates of 0,90% – 11,65%; USD time deposits amounting to USD 25.700 thousand (TL 46.427 thousand) have maturities of 2 - 30 days and interest rates of 3,10% – 3,50%; Euro time deposits amounting to Euro 557 thousand (TL 1.267 thousand) has a maturity of 6 days and interest rate of 0,35%. (As of December 31, 2011 the Group’s TL time deposits amounting to TL 201.517 thousand have maturities of 2 – 88 days and interest rates of 8,25% – 12,50%; USD time deposits amounting to USD 856 thousand (TL 1.617 thousand) have maturities of 5 - 30 days and interest rates of 0,40% – 3,05%; Euro time deposits amounting to Euro 39 thousand (TL 95 thousand) have maturities of 2 – 5 days and interest rates of 0,25% – 0,40%.)

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

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**Notes to the condensed consolidated financial statements
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6. Financial assets

The long term financial assets identified as financial assets held for sale by the Group are as follows as of June 30, 2012 and December 31, 2011:

	June 30, 2012		December 31, 2011	
	Participation amount	Participation rate %	Participation amount	Participation rate %
Koç Finansal Hizmetler A.Ş. (*)	249.205	1,97	242.310	1,97
Ram Dış Ticaret A.Ş. (**)	1.783	2,50	1.783	2,50
Tanı Pazarlama ve İletişim Hizmetleri A.Ş.(***)	540	10,00	540	10,00
Tat Konserve Sanayi A.Ş. (**)	236	0,08	236	0,08
Other (***)	23	-	23	-
Impairment reserve (-)	(1.021)	-	(1.024)	-
	250.766		243.868	

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

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

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

7. Other financial assets and liabilities

As of June 30, 2012, the Company has forward contracts with a maturity of one to three months and nominal amounts of USD 5.210 thousand. The Company recognized the difference between net book value and fair value as of June 30, 2012, amounting to TL 45 thousand under other financial assets. (As of December 31, 2011, the Company has forward contracts with an average maturity of four months and nominal amounts of USD 2.000 thousand. The Company recognized the difference between net book value and fair value as of December 31, 2011, amounting to TL 27 thousand under other financial liabilities.)

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8. Trade receivables and payables

The Group’s trade receivables as June 30, 2012 and December 31, 2011 are as follows:

Current trade receivables	June 30, 2012	December 31, 2011
Trade receivables	260.538	239.766
Notes receivables	57.238	51.183
Allowance for doubtful receivables (-)	(15.564)	(15.220)
Total current trade receivables	302.212	275.729

Non-current trade receivables	June 30, 2012	December 31, 2011
Notes receivables	4.790	2.124
Total non-current trade receivables	4.790	2.124

The Group’s trade payables as June 30, 2012 and December 31, 2011 are as follows:

Short term trade payables	June 30, 2012	December 31, 2011
Trade payables	172.023	165.232
Total short-term trade payables	172.023	165.232

9. Inventories

	June 30, 2012	December 31, 2011
Raw materials	152.100	144.731
Trade goods	22.763	9.819
Goods in transit	11.892	23.089
Finished goods	7.811	5.937
Work in process	914	544
Allowance for impairment on inventory (-)	(229)	(229)
Total inventories	195.251	183.891

As of June 30, 2012, the inventories comprise of 68.618 tons of LPG (December 31, 2011: 58.652 tons).

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

Aygaz Anonim Şirketi and Subsidiaries

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10. Equity investments

	June 30, 2012		December 31, 2011	
	Participation amount	Participation rate %	Participation amount	Participation rate %
Enerji Yatırımları A.Ş. acquisition value	669.400		669.400	
Adjustment to share capital	(7.442)		(7.442)	
Currency translation reserve	1.097		1.312	
Legal reserves	5.508		5.108	
Financial risk hedge fund	(4.247)		(6.483)	
The share of the Group in the profit after the acquisition date	290.671		243.201	
	954.987	20,00%	905.096	20,00%
AES Entek acquisition value	118.930		118.930	
The share of the Group in the profit after the acquisition date (*)	(9.125)		(4.297)	
	109.805	24,81%	114.633	24,81%
Zinerji Enerji Sanayi ve Tic. A.Ş. Impairment reserve (-)	738 (373)		738 (371)	
	365	56,00%	367	56,00%
Total	1.065.157		1.020.096	

(*) As explained in detail in note 3, as the share of the Group in the income and losses of its subsidiary AES Entek has been consolidated with different consolidation methods in 2011, the months January and February 2011 have been fully consolidated and the period March – September 2011 have been proportionally consolidated into the income statement. Related with the change in the Group’s share on AES Entek, income/loss for the period October – December has been consolidated with equity method (loss of TL 1.725 thousand) have been accounted with equity method based on the share of the Group.

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

Aygaz Anonim Şirketi and Subsidiaries

Notes to the condensed consolidated financial statements

for the six month interim period ended June 30, 2012 (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 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
Transfers	-	-	-	-	-	-	-	-	-
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

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

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements
for the six month interim period ended June 30, 2012 (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, 2011	15.531	96.551	62.788	1.442.704	168.166	46.421	22.188	7.976	1.862.325
Business combinations (note 3)	5.958	4.082	5.876	176.777	29	1.289	501	4.976	199.488
Additions	14	-	-	6.395	3.607	223	35	32.631	42.905
Transfers (*)	-	3	-	18.001	217	1.275	-	(19.506)	(10)
Disposals	-	(164)	-	(14.595)	(5.084)	(512)	-	-	(20.355)
Ending balance as of June 30, 2011	21.503	100.472	68.664	1.629.282	166.935	48.696	22.724	26.077	2.084.353
Accumulated depreciation									
Opening balance as of January 1, 2011	-	39.287	39.758	1.114.113	136.314	36.311	21.236	-	1.387.019
Business combinations (note 3)	-	2.638	1.717	81.428	29	1.096	401	-	87.309
Charge of the period	-	1.813	932	29.652	2.271	1.637	283	-	36.588
Disposals	-	(149)	-	(13.737)	(4.667)	(409)	-	-	(18.962)
Ending balance as of June 30, 2011	-	43.589	42.407	1.211.456	133.947	38.635	21.920	-	1.491.954
Net book value as of June 30, 2011	21.503	56.883	26.257	417.826	32.988	10.061	804	26.077	592.399

(*) TL 10 thousand under construction in progress under the account property, plant and equipment has been classified to intangible fixed assets.

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements
for the six month interim period ended June 30, 2012 (continued)**
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12. Intangible assets

	Rights	Other intangible fixed assets	Total
Acquisition costs			
Opening balance as of January 1, 2012	51.323	-	51.323
Additions	164	-	164
Disposals	-	-	-
Transfers	-	-	-
Ending balance as of June 30, 2012	51.487	-	51.487
Accumulated depreciation			
Opening balance as of January 1, 2012	11.652	-	11.652
Charge for the period	2.828	-	2.828
Disposals	-	-	-
Ending balance as of June 30, 2012	14.480	-	14.480
Carrying value as of June 30, 2012	37.007	-	37.007
Acquisition costs			
Opening balance as of January 1, 2011	16.214	-	16.214
Business combinations (note 3)	230	324	554
Additions	11	-	11
Disposals	(186)	-	(186)
Transfers (*)	10	-	10
Ending balance as of June 30, 2011	16.279	324	16.603
Accumulated depreciation			
Opening balance as of January 1, 2011	8.495	-	8.495
Business combinations (note 3)	119	262	381
Charge for the period	976	20	996
Disposals	-	-	-
Ending balance as of June 30, 2011	9.590	282	9.872
Carrying value as of June 30, 2011	6.689	42	6.731

(*) TL 10 thousand under construction in progress under the account property, plant and equipment has been classified to intangible fixed assets:

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

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements
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(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, 2012	December 31, 2011
Letter of guarantees given to customs for gas import	29.686	44.821
Other letter of guarantees given	8.162	10.657
	37.848	55.478

The liability for environmental pollution:

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

National inventory reserve liability:

Oil refineries, 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 condensed consolidated financial statements

for the six month interim period ended June 30, 2012 (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, 2012				December 31, 2011			
	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	25.667	262	11.919	37.848	27.140	239	28.099	55.478
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	25.667	262	11.919	37.848	27.140	239	28.099	55.478

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

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements
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14. Other receivables and payables

The Group’s other receivables as June 30, 2012 and December 31, 2011 are as follows:

Other current receivables	June 30, 2012	December 31, 2011
Guarantees and deposits given	2.853	2.444
Other receivables	1.174	1.382
Total other current receivables	4.027	3.826

Non-current receivables	June 30, 2012	December 31, 2011
Loans provided to participations (*)	32.750	-
Guarantees and deposits given	44	39
Total non-current receivables	32.794	39

(*) Shareholders of AES Entek, whose share capital is owned by the Company by 24,81%, have decided to provide AES Entek a shareholder loan to be used mainly for investments in electricity production by percentage of ownership. Accordingly, the Company has provided shareholder loan to AES Entek with its portion amounting to TL 32.750 thousand. The interest rate is TRLIBOR + 3,75% and the first interest payment is due in six months. The following interest payments will be due in three or six months and capital payment will be made at the fifth year.

The Group’s other receivables as June 30, 2012 and December 31, 2011 are as follows:

Other payables	June 30, 2012	December 31, 2011
Due to personnel	2.712	19.109
Other payables	515	360
Total other payables	3.227	19.469

Other long term payables	June 30, 2012	December 31, 2011
Cylinder deposits received	68.950	66.991
Total other long term payables	68.950	66.991

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

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements
for the six month interim period ended June 30, 2012 (continued)**
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15. Other short/long-term assets and liabilities

Other current assets	June 30, 2012	December 31, 2011
Prepaid expenses	29.474	25.930
VAT carried forward	6.999	5.170
Advances given	5.356	3.438
Fuel used in shipping operations	2.006	2.093
Income accrual	1.523	912
VAT deductible	98	126
Prepaid tax	38	561
Other current assets	4.222	4.082
Total other current assets	49.716	42.312

Other non-current assets	June 30, 2012	December 31, 2011
Prepaid expenses	46.529	49.440
Advances given for property, plant and equipment purchases	116	571
Total other non-current assets	46.645	50.011

Other short term liabilities	June 30, 2012	December 31, 2011
Taxes and funds payable	96.590	103.930
Expense accruals	71.752	45.458
Social security premiums payable	3.563	3.590
Other liabilities	6.238	5.174
Total other short term liabilities	178.143	158.152

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements
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16. Share capital

As of June 30, 2012 and December 31, 2011 the share capital held is as follows:

Shareholders	Participation rate	June 30, 2012	Participation rate	December 31, 2011
Koç Holding A.Ş.	40,68%	122.054	40,68%	122.054
Liquid Petroleum Gas Development Company	24,52%	73.546	24,52%	73.546
Temel Ticaret ve Yatırım A.Ş.	5,29%	15.884	5,29%	15.884
Koç Family	5,24%	15.705	5,24%	15.705
Publicly held	24,27%	72.811	24,27%	72.811
Nominal capital	100,00%	300.000	100,00%	300.000
Inflation adjustment		71.504		71.504
Adjusted capital		371.504		371.504

In the Ordinary General Meeting held on April 5, 2012, the Company has decided to reserve TL 13.500 thousand as legal reserves and distribute totally TL 150.000 thousand as gross dividends from the net distributable income of 2011. According to this decision, the Company has begun dividend payments on April 12, 2012.

Restricted reserves assorted from the profit

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

The details of the restricted reserves are stated below:

	June 30, 2012	December 31, 2011
Legal reserves	97.659	84.159
Gain on sale of participation share and property, recognized in equity (*)	210.187	300.071
	307.846	384.230

(*) According to Corporate Tax Law, 75% of gain on sales of tangible assets and shares of participations that have been reflected in the financial statements for two years minimum are exempt from Corporate tax if such gain has not been distributed within five years. According to this application, the Group has classified gain on sale of participation shares which are overdue by than five years to retained earnings. Moreover, as explained in detail in note 3, TL 138.634 thousand related with sale of AES Entek, are classified to restricted reserves as gain on sale of participation share to be recognized in equity.

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

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17. Earnings per share

	January 1 – June 30, 2012	April 1 – June 30, 2012	January 1 – June 30, 2011	April 1 – June 30, 2011
Average number of shares throughout the period (thousand)	300.000	300.000	300.000	300.000
Net profit for the year attributable equity holders of the parent company	120.869	28.460	287.697	42.258
Earnings per share (TL)	0,402897	0,094867	0,958990	0,140860

18. Finance income

Finance income for the period ended June 30, 2012 and 2011 are as follows:

	January 1 June 30, 2012	April 1 - June 30, 2012	January 1 June 30, 2011	April 1 June 30, 2011
Foreign exchange translation gain	14.421	(633)	115.277	62.307
Income generated from maturity differences of sales made on credit	11.404	5.139	8.898	4.907
Interest income	10.172	3.361	8.294	4.737
Fair value differences on forward transactions	244	244	58	58
Total finance income	36.241	8.111	132.527	72.009

19. Finance expense

Finance expense for the periods ended June 30, 2012 and 2011 are as follows:

	January 1 - June 30, 2012	April 1 - June 30, 2012	January 1 - June 30, 2011	April 1 - June 30, 2011
Foreign exchange translation loss	(11.270)	(1.563)	(127.412)	(69.203)
Expenses generated from maturity differences of credit purchases	(7.809)	(3.786)	(7.199)	(4.333)
Fair value differences on forward transactions	(766)	(246)	-	841
Interest expenses	-	-	(773)	(129)
Other financial expenses	(213)	(95)	(245)	(135)
Total finance expense	(20.058)	(5.690)	(135.629)	(72.959)

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20. Tax assets and liabilities

	June 30, 2012	December 31, 2011
Current tax liability:		
Current corporate tax provision	19.337	44.088
Less: Prepaid taxes and funds	(14.959)	(38.262)
	4.378	5.826

	January 1- June 30, 2012	January 1- June 30, 2011
<i>Tax expense in income statement</i>		
Current corporate tax provision	(19.337)	(28.010)
Deferred tax income	1.567	5.870
	(17.770)	(22.140)

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 2012 is 20% (2011: 20%).

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate in 2012 is 20% (2011: 20%). Losses are allowed to be carried 5 years maximum to be deducted from the taxable profit of the following years. Tax carry back is not allowed.

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

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

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20. 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% starting from April 24, 2003. This rate was changed to 15% commencing from July 23, 2006. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

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

Deferred tax assets and liabilities

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between the financial statements as reported for IFRS purposes and financial statements prepared in accordance with the tax legislation. These differences arise from the differences in accounting periods for the recognition of income and expenses in accordance with IFRS and tax legislation. The rate applied in the calculation of deferred tax assets and liabilities is 20%. (December 31, 2011: 20%).

	June 30, 2012	December 31, 2011
Deferred tax (assets)/liabilities:		
Restatement and depreciation / amortization differences of property, plant and equipment and other intangible assets	31.489	31.945
Revaluation fund on financial assets	7.945	7.600
Valuation of inventories	(1.090)	369
Effective interest method adjustment	(29)	(90)
Provision for employment termination benefits	(3.696)	(3.322)
Investment allowance	-	(384)
Other	(1.301)	(1.577)
	33.318	34.541

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

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20. 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, 2012			December 31, 2011		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Aygaz A.Ş.	(5.203)	33.135	27.932	(4.357)	33.819	29.462
Mogaz Petrol Gazları A.Ş.	(2.919)	6.637	3.718	(2.690)	6.455	3.765
Akpa A.Ş.	(402)	302	(100)	(298)	220	(78)
Aygaz Doğal Gaz	(220)	1.988	1.768	(498)	1.890	1.392
	(8.744)	42.062	33.318	(7.843)	42.384	34.541

Movement of deferred tax from continuing operations is as follows:

	January 1- June 30, 2012	January 1- June 30, 2011
Movement of deferred tax (asset) / liability:		
Opening balance as of January 1	34.541	39.931
Deferred tax expense / (income)	(1.567)	(5.870)
Deferred tax associated with financial asset revaluation fund	344	(1.381)
Business combinations (note 3)	-	6.718
Closing balance as of June 30	33.318	39.398

Aygaz Anonim Şirketi and Subsidiaries**Notes to the condensed consolidated financial statements
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(Amounts expressed in thousands of Turkish Lira (“TL”) and in thousands for other currencies unless
otherwise indicated.)****21. 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, 2012			
	Receivables		Payables	
	Trade	Non-trade	Trade	Non-trade
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	9.633	-	47.379	-
Zer Merkezi Hizmetler ve Ticaret A.Ş. (**)	1.321	-	6.128	-
Ford Otomotiv Sanayi A.Ş.	1.222	-	-	-
Ram Sigorta Aracılık Hizmetleri A.Ş. (***)	803	-	570	-
Arçelik A.Ş.	604	-	32.731	-
Tofaş Türk Otomobil Fabrikası A.Ş.	529	-	-	-
R.M.K ve Mahdumları Mad. İnş. Tur. Yat. ve Tic. A.Ş.	339	-	-	-
Otokar Otobüs Karoseri Sanayi A.Ş.	322	-	270	-
Harranova Besi ve Tarım Ürünleri A.Ş.	248	-	-	-
Türk Traktör ve Ziraat Makinaları A.Ş.	219	-	-	-
Demir Export A.Ş.	211	-	-	-
Palmira Turizm Ticaret A.Ş.	182	-	-	-
Opet Petrolcülük A.Ş.	174	-	17.008	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	154	-	26	-
Otokoç Otomotiv Tic. ve San. A.Ş.	131	-	488	-
Yapı Kredi Sigorta A.Ş.	87	-	-	-
Yapı Kredi Kültür Sanat Yayıncılık Tic.ve San. A.Ş.	70	-	-	-
Altinyunus Çeşme Turistik Tesisler. A.Ş.	52	-	-	-
RMK Marine Gemi Yapım San. ve Deniz Taş. İşl. A.Ş.	36	-	-	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	24	-	1.453	-
Arçelik LG Klima San. ve Tic. A.Ş.	15	-	-	-
Divan Turizm İşletmeleri	14	-	25	-
Yapı Kredi Bankası A.Ş.	14	-	8	-
Setur Servis Turistik A.Ş.	11	-	132	-
Tat Konserve Sanayi A.Ş.	11	-	-	-
Küsel Ltd Şti	10	-	-	-
Beldesan Otomotiv Yan Sanayii ve Tic. A.Ş.	7	-	-	-
Vehbi Koç Vakfı Koç Üniversitesi	5	-	2	-
Düzye Tüketim Malları Pazarlama A.Ş.	5	-	15	-
East Marine	4	-	5	-
Yapı Kredi Emeklilik A.Ş.	2	-	-	-
Rahmi M. Koç Müzecilik ve Kültür Vakfı	2	-	-	-
Ark İnşaat A.Ş.	2	-	-	-
Marmaris Altinyunus Turistik Tesisleri A.Ş.	2	-	-	-
Callus Bilgi ve İletişim Hizmetleri A.Ş.	1	-	142	-
Vehbi Koç Vakfı Amerikan Hastanesi	1	-	-	-
Opet-Fuchs Madeni Yağlar	1	-	74	-
Akdeniz Akaryakıt Depolama	1	-	-	-
Tanı Pazarlama ve İletişim Hizmetleri A.Ş.	-	-	1.129	-
Promena Elektronik Ticaret A.Ş.	-	-	31	-
Ram Dış Ticaret A.Ş.	-	-	4.432	-
Setair Hava Taşımacılığı ve Hizm. A.Ş.	-	-	16	-
Shareholders				
Koç Holding A.Ş.	12	-	9	-
Investments accounted under equity method				
Zinerji Enerji Sanayi ve Ticaret A.Ş.	1.222	-	-	-
AES Entek Elektrik Üretimi A.Ş.	-	-	20	-
	17.703	-	112.093	-

(*) Group companies include Koç Group companies.

(**) Zer Merkezi Hizmetler ve Ticaret A.Ş. ("Zer") provides insurance 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, 2012; dividends payable amounting to TL 424 thousand (December 31, 2011 – TL 336 thousand) is reflected within other payables at the consolidated balance sheet.

Aygaz Anonim Şirketi and Subsidiaries**Notes to the condensed consolidated financial statements
for the six month interim period ended June 30, 2012 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) and in thousands for other currencies unless
otherwise indicated.)****21. Transactions with related parties (continued)**

Balances with related parties	December 31, 2011			
	Receivables		Payables	
	Trade	Non-trade	Trade	Non-trade
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	8.484	-	34.451	-
Ford Otomotiv Sanayi A.Ş.	3.775	-	-	-
Arçelik A.Ş.	3.023	-	18.560	-
Zer Merkezi Hizmetler ve Ticaret A.Ş. (**)	2.284	-	5.578	-
Demir Export A.Ş.	2.195	-	-	-
Otokar Otobüs Karoseri Sanayi A.Ş.	674	-	6	-
Türk Traktör ve Ziraat Makinaları A.Ş.	587	-	-	-
Tofaş Türk Otomobil Fabrikası A.Ş.	582	-	40	-
R.M.K ve Mahdumları Mad. İnş.Tur.Yat. ve Tic. A.Ş.	256	-	-	-
Opet Petrolcülük A.Ş.	134	-	21.819	-
Vehbi Koç Vakfı Koç Üniversitesi	127	-	-	-
Koçtaş Yapı Marketleri Ticaret A.Ş..	90	-	44	-
Harranova Besi ve Tarım Ürünleri A.Ş.	86	-	-	-
Altinyunus Çeşme Turistik Tesisler. A.Ş.	85	-	-	-
Otokoç Otomotiv Tic. ve San. A.Ş.	76	-	692	-
Setur Servis Turistik A.Ş.	63	-	196	-
Palмира Turizm Ticaret A.Ş.	45	-	138	-
Arçelik LG Klima San. ve Tic. A.Ş.	42	-	-	-
Yapı Kredi Bankası A.Ş.	38	-	15	-
Yapı Kredi Kültür Sanat Yayıncılık Tic.ve San. A.Ş.	21	-	-	-
Tat Konserve Sanayi A.Ş.	19	-	6	-
RMK Marine Gemi Yapım San. ve Deniz Taş. İşl. A.Ş.	18	-	170	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	8	-	1.938	-
Beldesan Otomotiv Yan Sanayii ve Tic. A.Ş.	6	-	-	-
Küsel Ltd.Şti.	6	-	-	-
Düzey Tüketim Malları Pazarlama A.Ş.	3	-	92	-
THY Opet Havacılık Yakıtları A.Ş.	3	-	-	-
Yapı Kredi Sigorta A.Ş.	2	-	1	-
Vehbi Koç Vakfı Amerikan Hastanesi	2	-	-	-
Ram Sigorta Aracılık Hizmetleri A.Ş.(***)	2	-	209	-
Callus Bilgi ve İletişim Hizmetleri A.Ş.	1	-	105	-
Marmaris Altinyunus Turistik Tesisleri A.Ş.	1	-	-	-
Tanı Pazarlama ve İletişim Hizmetleri A.Ş.	1	-	738	-
Kanel Kangal Elektrik A.Ş.	1	-	-	-
Koç Tüketici Finansmanı A.Ş.	1	-	-	-
Promena Elektronik Ticaret A.Ş.	-	-	31	-
Ark İnşaat A.Ş.	-	-	267	-
Bilkom Bilişim Hizmetleri A.Ş.	-	-	4	-
Koçnet Haberleşme Teknoloji ve İlet. Hizm. A.Ş.	-	-	4	-
Opet-Fuchs Madeni Yağlar	-	-	40	-
Oriente Klassik Giyim San. ve Tic.A.Ş.	-	-	14	-
Ram Dış Ticaret A.Ş.	-	-	1.098	-
Setair Hava Taşımacılığı ve Hizm. A.Ş.	-	-	58	-
Shareholders				
Koç Holding A.Ş.	-	-	652	-
Investments accounted under equity method				
Zinerji Enerji Sanayi ve Ticaret A.Ş.	628	-	-	-
AES Entek Elektrik Üretimi A.Ş.	1	-	73	-
	23.370	-	87.039	-

(*) Group companies include Koç Group companies.

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

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

Aygaz Anonim Şirketi and Subsidiaries**Notes to the condensed consolidated financial statements
for the six month interim period ended June 30, 2012 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) and in thousands for other currencies unless
otherwise indicated.)****21. 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	-
Ram Sigorta Aracılık Hizmetleri A.Ş.	-	-	4.386	-
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	27.566	259

(*) Group companies include Koç Group companies.

(**) Commission expense regarding LPG sold at Opet stations as of June 30, 2012 is TL 32.927 thousand (June 30, 2011 - TL 25.977 thousand). The commission expense mentioned above is evaluated as part of sales and accounted under income statement as sales discounts.

Aygaz Anonim Şirketi and Subsidiaries**Notes to the condensed consolidated financial statements
for the six month interim period ended June 30, 2012 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) and in thousands for other currencies unless
otherwise indicated.)****21. Transactions with related parties (continued)**

Transactions with related parties	January 1 - June 30, 2011			
	Purchases (Goods)	Sales (Goods)	Purchases (Service)	Sales (Service)
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	248.335	132.496	555	-
Opet Petrolcülük A.Ş.	78.964	716	194	36
Arçelik A.Ş.	49.574	6.663	50	-
Ram Dış Ticaret A.Ş.	12.666	-	124	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	4.125	2.765	10.012	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	579	195	2.811	-
Opet-Fuchs Madeni Yağlar	302	3	-	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	216	1.068	5	-
Koçnet Haberleşme Teknoloji ve İlet. Hizm. A.Ş.	23	-	568	-
Ford Otomotiv Sanayi A.Ş.	10	22.077	-	-
Otokoç Otomotiv Tic. ve San. A.Ş.	8	1.180	1.916	-
Otokar Otobüs Karoseri Sanayi A.Ş.	5	2.528	77	-
Oriente Klassik Giyim San.ve Tic.A.Ş.	3	-	-	-
Bilkom Bilişim Hizmetleri A.Ş.	3	-	-	-
East Marine Denizcilik ve Turizm A.Ş.	2	-	-	-
Palmira Turizm Ticaret A.Ş.	2	465	66	-
Düzyer Tüketim Malları Pazarlama A.Ş.	1	67	216	-
Demir Export A.Ş.	-	8.705	-	-
Tofaş Türk Otomobil Fabrikası A.Ş.	-	4.262	-	-
Türk Traktör ve Ziraat Makinaları A.Ş.	-	3.644	-	-
Yapı Kredi Bankası A.Ş.	-	3.488	7	-
R.M.K ve Mahdumları Mad. İnş.Tur.Yat. ve Tic. A.Ş.	-	815	-	-
Vehbi Koç Vakfı Koç Üniversitesi	-	704	46	-
Tat Konserve Sanayi A.Ş.	-	556	-	-
Vehbi Koç Vakfı Amerikan Hastanesi	-	498	40	-
Harranova Besi ve Tarım Ürünleri A.Ş.	-	439	-	-
Marmaris Altinyunus Turistik Tesisleri A.Ş.	-	292	-	-
Altinyunus Çeşme Turistik Tesisler. A.Ş.	-	210	-	7
Tek-Art Kalamış ve Fenerbahçe Mar. Tur. Tes. A.Ş.	-	177	-	-
VKV Koç Özel İlköğretim Okulu	-	118	-	-
Setur Servis Turistik A.Ş.	-	109	1.208	-
Ayvalık Marina ve Yat İşl. San. ve Tic. A.Ş.	-	23	-	-
THY Opet Havacılık Yakıtları A.Ş.	-	23	-	-
Koç Fiat Kredi Tüketici Finansmanı A.Ş.	-	21	-	-
Setur Yalova Marina İşletmeciliği A.Ş. (4)	-	11	-	-
Beldesan Otomotiv Yan Sanayii ve Tic. A.Ş.	-	9	-	-
Çengelhan Rahmi Koç Müzecilik	-	6	-	-
Vehbi Koç Vakfı	-	6	-	-
Ram Sigorta Aracılık Hizmetleri A.Ş.	-	-	3.558	-
Setair Hava Taşımacılığı ve Hizm. A.Ş.	-	-	1.355	-
Tanı Pazarlama ve İletişim Hizmetleri A.Ş.	-	-	765	-
Callus Bilgi ve İletişim Hizmetleri A.Ş.	-	-	371	-
Ark İnşaat A.Ş.	-	-	169	-
Yapı Kredi Sigorta A.Ş.	-	-	56	-
Promena Elektronik Ticaret A.Ş.	-	-	56	-
Yapı Kredi spor Kulübü Derneği	-	-	34	-
Yapı Kredi Yatırım Menkul Değerler A.Ş.	-	-	19	-
Koç Topluluğu Yöneticileri Derneği	-	-	2	-
Shareholders				
Koç Holding A.Ş.	-	60	1.800	-
Temel Ticaret ve Yatırım A.Ş.	-	-	42	-
	394.818	194.399	26.122	43

(*) 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 condensed consolidated financial statements
for the six month interim period ended June 30, 2012 (continued)**
(Amounts expressed in thousands of Turkish Lira (“TL”) and in thousands for other currencies unless otherwise indicated.)

21. Transactions with related parties (continued)

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	-	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

January 1 - June 30, 2011				
Tangible asset and rent transactions with related parties	Rent income	Rent expense	Fixed asset purchases	Fixed asset sales
Group companies (*)				
Opet Petrolcülük A.Ş.	216	8	-	-
Otokoç Otomotiv Tic. ve San. A.Ş.	-	51	574	-
Yapı Kredi Bankası A.Ş.	-	66	-	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	702	-
Ark İnşaat A.Ş.	-	-	240	-
Koçnet Haberleşme Teknoloji ve İlet. Hizm. A.Ş.	-	-	63	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	-	-	28	1.061
Ram Sigorta	-	-	4	-
Bilkom Bilişim Hizmetleri A.Ş.	-	-	3	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	-	-	1	-
Shareholders				
Temel Ticaret ve Yatırım A.Ş.	-	70	-	-
	216	195	1.615	1.061

(*) 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 condensed consolidated financial statements
for the six month interim period ended June 30, 2012 (continued)**
(Amounts expressed in thousands of Turkish Lira (“TL”) and in thousands for other currencies unless otherwise indicated.)

21. Transactions with related parties (continued)

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	-

Financial and other transactions with related parties	January 1 - June 30, 2011			
	Financial income	Financial expense	Other income	Other expense
Group companies (*)				
Yapı Kredi Bankası A.Ş.	5.860	5.073	-	-
Koçnet Haberleşme Teknoloji ve İlet. Hizm. A.Ş.	7	-	-	-
	5.867	5.073	-	-

Loans provided to related parties	June 30, 2012	December 31, 2012
Investments accounted under equity method		
AES Entek Elektrik Üretimi A.Ş. (note 6)	32.750	-

Deposits at banks	June 30, 2012	December 31, 2011
Group companies (*)		
Yapı Kredi Bankası A.Ş.	84.912	184.396

Credit card receivables	June 30, 2012	December 31, 2011
Group companies (*)		
Yapı Kredi Bankası A.Ş.	15.853	14.144

(*) 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, 2012 is TL 2.131 thousand (June 30, 2011: TL 2.497 thousand).

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements
for the six month interim period ended June 30, 2012 (continued)**
(Amounts expressed in thousands of Turkish Lira (“TL”) and in thousands for other currencies unless otherwise indicated.)

22. Nature and level of risk derived from financial instruments**Financial risk factors**

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

Foreign currency risk management

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

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

June 30, 2012		Total TL equivalent	TL equivalent of USD	TL equivalent of Euro	TL equivalent of other
1.	Trade receivables	24.567	19.172	5.395	-
2.a	Monetary financial assets	49.808	47.348	2.230	230
2.b	Non monetary financial assets	-	-	-	-
3.	Other	-	-	-	-
4.	Current assets	74.375	66.520	7.625	230
5.	Trade receivables	-	-	-	-
6.a	Monetary financial assets	-	-	-	-
6.b	Non monetary financial assets	-	-	-	-
7.	Other	-	-	-	-
8.	Non current assets	-	-	-	-
9.	Total assets	74.375	66.520	7.625	230
10.	Trade payables	(125.494)	(125.494)	-	-
11.	Financial liabilities	-	-	-	-
12.a	Other monetary financial liabilities	-	-	-	-
12.b	Other non monetary financial liabilities	-	-	-	-
13.	Current liabilities	(125.494)	(125.494)	-	-
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	(125.494)	(125.494)	-	-
19.	Net asset / liability position of off balance sheet liabilities (19a-19b)	-	-	-	-
19.a	Total hedged assets	-	-	-	-
19.b	Total hedged liabilities	-	-	-	-
20.	Net foreign currency asset / liability position	(51.119)	(58.974)	7.625	230
21.	Net foreign currency asset / liability position of monetary items (1+2a+6a+10+11+12a+14+15+16a)	(51.119)	(58.974)	7.625	230
22.	Fair value of foreign currency hedged financial assets	-	-	-	-
23.	Export	335.695	329.356	6.339	-
24.	Import	1.126.324	1.124.077	1.931	316

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, 2012, the Group has LPG amounting to TL 77.241 thousand (December 31, 2011 TL 91.932 thousand).

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

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements
for the six month interim period ended June 30, 2012 (continued)**
(Amounts expressed in thousands of Turkish Lira (“TL”) and in thousands for other currencies unless otherwise indicated.)

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

December 31, 2011		Total TL equivalent	TL equivalent of USD	TL equivalent of Euro	TL equivalent of other
1.	Trade receivables	18.552	17.018	1.534	-
2.a	Monetary financial assets	17.183	8.238	8.794	151
2.b	Non monetary financial assets	-	-	-	-
3.	Other	-	-	-	-
4.	Current assets	35.735	25.256	10.328	151
5.	Trade receivables	-	-	-	-
6.a	Monetary financial assets	-	-	-	-
6.b	Non monetary financial assets	-	-	-	-
7.	Other	-	-	-	-
8.	Non current assets	-	-	-	-
9.	Total assets	35.735	25.256	10.328	151
10.	Trade payables	(92.860)	(92.758)	(97)	(5)
11.	Financial liabilities	-	-	-	-
12.a	Other monetary financial liabilities	-	-	-	-
12.b	Other non monetary financial liabilities	-	-	-	-
13.	Current liabilities	(92.860)	(92.758)	(97)	(5)
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	(92.860)	(92.758)	(97)	(5)
19.	Net asset / liability position of off balance sheet liabilities (19a-19b)	-	-	-	-
19.a	Total hedged assets	-	-	-	-
19.b	Total hedged liabilities	-	-	-	-
20.	Net foreign currency asset / liability position	(57.125)	(67.502)	10.231	146
21.	Net foreign currency asset / liability position of monetary items (1+2a+6a+10+11+12a+14+15+16a)	(57.125)	(67.502)	10.231	146
22.	Fair value of foreign currency hedged financial assets	-	-	-	-
23.	Export	515.402	485.735	29.667	-
24.	Import	2.233.334	2.227.120	5.741	473

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

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements
for the six month interim period ended June 30, 2012 (continued)**
(Amounts expressed in thousands of Turkish Lira (“TL”) and in thousands for other currencies unless otherwise indicated.)

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

As of June 30, 2012 and December 31, 2011, 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, 2012			
	Gain/Loss		Equity	
	Foreign exchange appreciation	Foreign exchange depreciation	Foreign exchange appreciation	Foreign exchange depreciation
+/-10% fluctuation of USD rate				
USD net asset/liability	(5.897)	5.897	(5.897)	5.897
Secured portion from USD risk	-	-	-	-
USD net effect	(5.897)	5.897	(5.897)	5.897
+/-10% fluctuation of Euro rate				
Euro net asset/liability	763	(763)	763	(763)
Secured portion from Euro risk	-	-	-	-
Euro net effect	763	(763)	763	(763)
	(5.134)	5.134	(5.134)	5.134

	December 31, 2011			
	Income/Expense		Equity	
	Foreign exchange appreciation	Foreign exchange depreciation	Foreign exchange appreciation	Foreign exchange depreciation
10% fluctuation of USD rate				
USD net asset/liability	(6.750)	6.750	(6.750)	6.750
Secured portion from USD risk	-	-	-	-
USD net effect	(6.750)	6.750	(6.750)	6.750
10% fluctuation of Euro rate				
Euro net asset/liability	1.023	(1.023)	1.023	(1.023)
Secured portion from Euro risk	-	-	-	-
Euro net effect	1.023	(1.023)	1.023	(1.023)
Total	(5.727)	5.727	(5.727)	5.727

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

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements
for the six month interim period ended June 30, 2012 (continued)**
(Amounts expressed in thousands of Turkish Lira (“TL”) and in thousands for other currencies unless otherwise indicated.)

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

Currency forward agreements

Currency forward agreements which are valid as of June 30, 2012 and December 31, 2011 are summarized at the tables below:

					June 30, 2012	
Maturity	Parity	Type of contract	Transaction	Total amount	Currency	
1 to 3 months	1,8000 - 1,9140	Forward	Sells TL, buys USD	5.210	USD	

					December 31, 2011	
Maturity	Parity	Type of contract	Transaction	Total amount	Currency	
1 to 3 months	1,8577 - 1,8300	Forward	Sells TL, buys USD	2.000	USD	

23. Events after balance sheet date

In Board of Directors meeting that was held on July 16, 2012, the Company has decided to start the process of merging with its 99.99% owned subsidiary Mogaz Petrol Gazları A.Ş. (“Mogaz”) by transferring whole assets and liabilities based on June 30, 2012 financials. The Company Management is authorized for processing the merger in accordance with Corporate Tax Law, Turkish Commercial Code and Capital Market Board of Turkey Legislation; preparing the merger agreement and executing all transactions in Competition Authority, Energy Market Regulatory Authority and other related institutions.