

(Convenience translation of interim consolidated financial statements originally issued in Turkish)

Aygaz Anonim Őirketi and Subsidiaries

January 1 – June 30, 2015 interim condensed consolidated financial statements together with auditor’s review report

Aygaz Anonim Şirketi and Subsidiaries

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(Convenience translation of interim consolidated financial statements originally issued in Turkish)

**Review Report on the interim financial information
for the period January 1 – June 30, 2015**

To the Board of Directors of
Aygaz Anonim Şirketi

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Aygaz Anonim Şirketi (“Aygaz” or “the Company”) and its subsidiaries (together will be referred to as “the Group”) as of June 30, 2015, which comprise the statement of condensed consolidated financial position, condensed consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the six-month-period then ended and explanatory notes. The management of the Company is responsible for the preparation and fair presentation of these interim financial information in accordance with TAS 34 Interim Financial Reporting (“TAS 34”). Our responsibility is to express a conclusion on these interim financial information based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, “Limited Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. 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 of interim financial information is substantially less in scope than an independent audit performed in accordance with the Turkish Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review on the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention which may cause us to believe that the accompanying interim condensed consolidated financial information are not prepared, in all material respects, in accordance with TAS 34.

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

Ethem Kutucular, SMMM
Partner

August 7, 2015
İstanbul, Turkey

(Convenience translation of financial statements originally issued in Turkish)

Aygaz Anonim Şirketi and Subsidiaries

Consolidated statement of financial position

as at June 30, 2015

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

		Current period Reviewed	Prior period Audited
Assets	Notes	June 30, 2015	December 31, 2014
Current assets		770.083	713.475
Cash and cash equivalents	4	179.311	160.904
Trade receivables		377.591	389.832
-Trade receivables from related parties	18	20.815	20.435
-Trade receivables from third parties	8	356.776	369.397
Other receivables		3.245	5.458
-Other receivables from third parties		3.245	5.458
Derivative financial instruments	7	14.373	500
Inventories	9	141.388	110.448
Prepaid expenses		44.901	38.071
Assets related to current year tax		164	3.555
Other current assets		9.110	4.707
Non-current assets		2.794.193	2.698.743
Financial investments	5	317.193	346.706
Trade receivables		8.345	5.236
-Trade receivables from third parties	8	8.345	5.236
Other receivables		76	74
-Other receivables from third parties		76	74
Derivative financial instruments	7	-	4.294
Investments accounted under equity method	10	1.738.490	1.676.961
Property, plant and equipment	11	648.134	585.063
Intangible assets		23.184	25.748
-Other intangible assets	12	23.184	25.748
Prepaid expenses		58.327	54.270
Deferred tax assets	17	444	391
Total assets		3.564.276	3.412.218

The accompanying accounting policies and notes presented between pages 7 and 40 form an integral part of these interim condensed consolidated financial statements.

(Convenience translation of financial statements originally issued in Turkish)

Aygaz Anonim Şirketi and Subsidiaries

Consolidated statement of financial position

as at June 30, 2015

(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, 2015	December 31, 2014
Short term liabilities		691.759	714.612
Short-term financial borrowings	6	98.404	4.625
Current portion of long term financial borrowings	6	25.480	166.607
Trade payables		341.629	318.557
- Trade payables to related parties	18	152.891	109.625
- Trade payables to third parties	8	188.738	208.932
Liabilities for employee benefits		4.722	44.093
Other payables		893	700
- Other payables to related parties	18	547	506
- Other payables to third parties		346	194
Derivative financial instruments	7	395	-
Deferred income		3.624	3.325
Provision for taxation on income	17	5.354	1.156
Short-term provisions		108.513	76.340
-Provision for employee benefits		18.477	-
-Other provisions	14	90.036	76.340
Other current liabilities	14	102.745	99.209
Long term liabilities		504.354	338.416
Long-term borrowings	6	352.276	194.058
Other payables		81.399	78.809
- Other payables to third parties		81.399	78.809
Long-term provisions		32.095	28.273
-Provisions for employee benefits		32.095	28.273
Deferred tax liabilities	17	37.314	35.940
Other non-current liabilities		1.270	1.336
Equity		2.368.163	2.359.190
Share capital	15	300.000	300.000
Adjustment to share capital	15	71.504	71.504
Adjustment to share capital due to cross-ownership (-)		(7.442)	(7.442)
Other comprehensive income or expenses not to be reclassified to profit or loss		(2.994)	(2.892)
-Actuarial gain/loss arising from defined benefit plans		(2.994)	(2.892)
Other comprehensive income or expenses to be reclassified to profit or loss		191.941	242.909
-Foreign currency translation differences		1.574	1.230
-Cash flow hedge fund		(23.286)	(46)
-Gains/losses from the revaluation and reclassification of marketable securities		213.653	241.725
Restricted reserves		312.333	303.833
Retained earnings		1.342.108	1.232.650
Net profit for the period		160.076	217.958
Equity attributable to equity holders of the parent		2.367.526	2.358.520
Non-controlling interests		637	670
Total equity and liabilities		3.564.276	3.412.218

The accompanying accounting policies and notes presented between pages 7 and 40 form an integral part of these interim condensed consolidated financial statements.

(Convenience translation of financial statements originally issued in Turkish)

Aygaz Anonim Şirketi and Subsidiaries

Consolidated profit or loss and other comprehensive income statement

for the six month interim period ended June 30, 2015

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

	Notes	Reviewed		Reviewed	
		January 1 - June 30, 2015	April 1 - June 30, 2015	January 1 - June 30, 2014	April 1 - June 30, 2014
Revenue		2.963.555	1.523.185	3.491.559	1.714.464
Cost of sales (-)		(2.655.273)	(1.361.108)	(3.228.518)	(1.582.130)
Gross profit		308.282	162.077	263.041	132.334
General administrative expenses (-)		(88.119)	(42.368)	(77.299)	(39.947)
Marketing, sales and distribution expenses (-)		(119.930)	(64.788)	(111.212)	(59.349)
Research and development expenses (-)		(755)	(412)	(1.238)	(797)
Other operating income		52.437	20.372	59.059	29.473
Other operating expenses (-)		(50.014)	(18.750)	(49.446)	(21.430)
Operating profit		101.901	56.131	82.905	40.284
Income from investment activities		735	238	4.125	1.402
Loss from investment activities (-)		(325)	(28)	(498)	-
Profit /losses from investments accounted under equity method	10	84.527	66.942	82.881	37.512
Operating profit before financial income/(expense)		186.838	123.283	169.413	79.198
Financial income		65.951	36.380	21.843	5.858
Financial expense (-)		(80.537)	(46.749)	(33.144)	(15.512)
Profit before taxation		172.252	112.914	158.112	69.544
Tax income / (expense)					
- Current tax expense for the period (-)	17	(9.325)	(6.537)	(13.918)	(5.803)
- Deferred tax income / (expense)	17	(2.799)	442	4.106	763
Profit for the period		160.128	106.819	148.300	64.504
Other comprehensive income / (expense)					
Not to be reclassified to profit or loss					
Actuarial gain/loss arising from defined benefit plans		(102)	(102)	-	-
To be reclassified as profit or loss					
Foreign currency translation differences		344	146	(14)	(525)
Gains/losses from the revaluation and reclassification of marketable securities		(28.072)	(28.072)	46.788	46.788
Cash flow hedging gains/losses		(23.240)	(3.586)	1.208	640
Other comprehensive income/(expense) (after taxation)		(51.070)	(31.614)	47.982	46.903
Total comprehensive income		109.058	75.205	196.282	111.407
Distribution of profit for the period					
Non-controlling interest		52	11	36	11
Equity holders of the parent		160.076	106.808	148.264	64.493
Distribution of total comprehensive income					
Non-controlling interest		52	11	36	11
Equity holders of the parent		109.006	75.194	196.246	111.396
Earnings per share (TL)	16	0,533587	0,356027	0,494213	0,214977

The accompanying accounting policies and notes presented between pages 7 and 40 form an integral part of these interim condensed consolidated financial statements.

(Convenience translation of financial statements originally issued in Turkish)

Aygaz Anonim Şirketi and Subsidiaries

**Consolidated statement of changes in equity
for the period ended June 30, 2015**

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

	Share capital	Adjustment to share capital	Adjustment to share capital due to cross-ownership (-)	Actuarial gain/loss arising from defined benefit plans	Other comprehensive income or expenses to be reclassified to profit or loss		Gains/losses from the revaluation and reclassification of marketable securities	Restricted reserves	Retained earnings	Net profit for the period	Equity attributable to equity holders of the parent	Non-controlling interest	Total equity
					Other comprehensive income or expenses not to be reclassified to profit or loss	Other comprehensive income or expenses to be reclassified to profit or loss							
Reviewed													
Balance as of January 1, 2014	300.000	71.504	(7.442)	(106)	1.875	(1.208)	166.865	277.875	1.228.355	205.253	2.242.971	605	2.243.576
Transfers from retained earnings	-	-	-	-	-	-	-	-	205.253	(205.253)	-	-	-
Transfers to reserves	-	-	-	-	-	-	-	16.000	(16.000)	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(175.000)	-	(175.000)	-	(175.000)
Comprehensive income / (loss) for the period	-	-	-	-	(14)	1.208	46.788	-	-	148.264	196.246	36	196.282
Balance as of June 30, 2014	300.000	71.504	(7.442)	(106)	1.861	-	213.653	293.875	1.242.608	148.264	2.264.217	641	2.264.858
Reviewed													
Balance as of January 1, 2015	300.000	71.504	(7.442)	(2.892)	1.230	(46)	241.725	303.833	1.232.650	217.958	2.358.520	670	2.359.190
Transfers from retained earnings	-	-	-	-	-	-	-	-	217.958	(217.958)	-	-	-
Transfers to reserves	-	-	-	-	-	-	-	8.500	(8.500)	-	-	-	-
Dividends paid (note 15)	-	-	-	-	-	-	-	-	(100.000)	-	(100.000)	(85)	(100.085)
Comprehensive income / (loss) for the period	-	-	-	(102)	344	(23.240)	(28.072)	-	-	160.076	109.006	52	109.058
Balance as of June 30, 2015	300.000	71.504	(7.442)	(2.994)	1.574	(23.286)	213.653	312.333	1.342.108	160.076	2.367.526	637	2.368.163

The accompanying accounting policies and notes presented between pages 7 and 40 form an integral part of these interim condensed consolidated financial statements.

(Convenience translation of financial statements originally issued in Turkish)

Aygaz Anonim Şirketi and Subsidiaries

Consolidated cash flow statement

for the period ended June 30, 2015

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

		Reviewed January 1- June 30, 2015	Reviewed January 1- June 30, 2014
	Notes		
A. Cash flows from operating activities			
Net profit for the period		160.128	148.300
Adjustments related with the reconciliation of net profit/ loss for the period		4.453	(4.793)
-Adjustments for depreciation and amortization expenses	11, 12	43.260	41.416
-Adjustments for provisions		18.973	26.391
-Adjustments for interest income and expenses		16.310	4.006
- Dividend income from financial investments		(6.507)	(6.392)
-Adjustments for income from equity participations	10	(84.527)	(82.881)
-Unrealized foreign exchange losses related with borrowings, net		14.451	390
-Adjustments for derivative financial instruments, net		(9.184)	1.687
-Adjustments for tax (income)/expenses		12.124	9.812
-Adjustments for profit/ loss on sale of tangible/intangible assets		(410)	(2.767)
-Other adjustments for reconciliation of profit/ loss		(37)	3.545
Changes in working capital:		(26.558)	30.921
-Adjustments for increase/decrease in inventories		(30.940)	92.455
-Adjustments for increase/decrease in trade receivables		8.731	(65.334)
-Adjustments for other current assets and short-term liabilities		(26.218)	46.701
-Adjustments for increase/ decrease in trade payables		23.072	(30.938)
-Adjustments for other non-current assets and long-term liabilities		(1.203)	(11.963)
Cash flows from operating activities		138.023	174.428
-Tax payments/returns		(1.736)	(13.307)
-Other cash inflow/outflows		(1.054)	(3.006)
B. Cash flows from investing activities			
(96.850)			
Cash inflows from the sale of property, plant and equipment and intangible assets		2.946	6.785
Cash outflows from the purchase of property, plant and equipment and intangible assets	11, 12	(106.303)	(33.965)
Dividends received		6.507	6.392
Share capital participation to joint ventures		-	(30.000)
Net cash outflow due to acquisition of a subsidiary		-	(40)
C. Cash flows from financing activities			
(19.976)			
Net change in borrowings		95.037	39.446
Dividends paid		(100.085)	(175.000)
Interest received		4.606	3.963
Interest paid		(19.534)	(6.867)
Net increase/decrease in cash and cash equivalents			
18.407			
(31.171)			
D. Cash and cash equivalents at the beginning of the period			
4			
160.904			
173.054			
Cash and cash equivalents at the end of the period			
4			
179.311			
141.883			

The accompanying accounting policies and notes presented between pages 7 and 40 form an integral part of these interim condensed consolidated financial statements.

Aygaz Anonim Şirketi and Subsidiaries

Notes to the interim condensed consolidated financial statements as of June 30, 2015 (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

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

The Company is registered at the Capital Markets Board of Turkey ("CMB") and as of June, 30 2015 24,27% of its shares have been quoted at Borsa İstanbul.

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

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

As of June 30, 2015, number of personnel employed by categories in Aygaz and its subsidiaries (together with referred to as the "Group") is 691 white-collar (December 31, 2014: 691) and 715 blue-collar (December 31, 2014: 691) totaling to 1.406 (December 31, 2014: 1.382).

Subsidiaries

Akpa Dayanıklı Tüketim LPG ve Akaryakıt Ürünleri Pazarlama A.Ş. ("Akpa") reached to its current structure with the merger of four subsidiaries of Koç Holding Energy Group at the end of 2001. Before the merger, four companies were operating separately from each other in Bursa, Eskişehir, Ankara and Antalya. At the time of merger the company name was Bursa Gaz ve Ticaret A.Ş., later it was changed to "Akpa Dayanıklı Tüketim Lpg ve Akaryakıt Ürünleri Pazarlama Anonim Şirketi" with the decision of Ordinary General Meeting held on March 17, 2005. Akpa is mainly engaged in sales of cylinders through dealers, retail and wholesale of LPG, fuel and lubricants through autogas stations and sale of durable goods. In October 2012, the Company has purchased shares with a nominal amount of TL 4 from natural persons and raised Group's effective control to 100%. On July 24, 2014, Akpa, which already had 8% ownership of Zinerji A.Ş., acquired 100% ownership of Zinerji from other shareholders including the Company, by purchasing the rest of the shares with a nominal value of TL 184 thousand representing 92% of total capital, with a price of TL 3.404 thousand, with the decision taken through Board of Directors held on July 22, 2014. By the decision taken through Boards of Directors held on October 30, 2014, the procedures related with the acquisition of Zinerji A.Ş. by Akpa have been registered on December 10, 2014. The merger of Akpa, with Zinerji A.Ş., through a whole take-over of all assets and liabilities were completed as of registration date.

Main activity of Aygaz Doğal Gaz Toptan Satış A.Ş. and Aygaz Doğal Gaz İletim A.Ş. (together "Aygaz Doğal Gaz") is to purchase natural gas from domestic and/or overseas suppliers, selling natural gas to domestic and/or overseas customers and make related arrangements for the modulation, storing of natural gas and building necessary facilities. Aygaz Doğal Gaz Toptan Satış A.Ş. has decided to increase its share capital from TL 28.000 thousand to TL 33.000 thousand in its Ordinary General Meeting dated February 6, 2012. The Company has agreed to pay the increased amount of TL 5.000 thousand in cash and the payment was realized on March 2, 2012. The Group's share in Aygaz Doğal Gaz Toptan Satış A.Ş. has increased to 99,15%. Aygaz Doğal Gaz İletim A.Ş. has decided to increase its share capital from TL 3.700 thousand to TL 9.000 thousand in its Ordinary General Meeting dated February 6, 2012. The Company has agreed to pay the increased amount of TL 5.300 thousand in cash and the payment was realized on March 2, 2012. The Group's share in Aygaz Doğal Gaz İletim A.Ş. has increased to 99,59%.

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the interim condensed consolidated financial statements
as of June 30, 2015 (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. Kandilli Tankercilik A.Ş. has decided to increase share capital from TL 8.500 thousand to TL 62.500 thousand in its Extraordinary General Meeting held on September 25, 2014. For the increased share amount of TL 54.000 thousand, the Company has paid TL 13.500 thousand in cash on September 26, 2014 and the remaining part amounting to TL 40.500 thousand was paid in cash on January 30, 2015.

The Company has purchased 100% ownership interest of Enram Su ve Çevre Yatırımları A.Ş. as a result of share assignment agreement dated March 14, 2014. Enram Su ve Çevre Yatırımları A.Ş. has decided to change its trade name as ADG Enerji Yatırımları A.Ş. (“ADG Enerji”) and to increase share capital from TL 3.600 thousand to TL 25.000 thousand in its Extraordinary General Meeting held on March 20, 2014. For the increased share amount of TL 21.400 thousand, the Company has paid TL 5.350 thousand in cash on March 20, 2014 and the remaining part amounting to TL 16.050 thousand will be paid within 24 months from the date of decision. Main activity of ADG Enerji is to produce natural gas in domestic and/or overseas markets, purchase natural gas from domestic and/or overseas suppliers, selling natural gas in domestic and/or overseas customers and make related investments to storing, transportation and distribution of natural gas and building necessary facilities.

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

Subsidiaries	Place of incorporation and Operation	Ownership interest (%)			Voting power right	Principal activity
		June 30, 2015	December 31, 2014			
Anadoluhisarı	Turkey	100%	100%	100%	Shipping	
Kandilli	Turkey	100%	100%	100%	Shipping	
Kuleli	Turkey	100%	100%	100%	Shipping	
Kuzguncuk	Turkey	100%	100%	100%	Shipping	
Akpa	Turkey	100%	100%	100%	Marketing	
Aygaz Doğal Gaz Toptan Satış A.Ş.	Turkey	99,15%	99,15%	99,15%	Natural gas	
Aygaz Doğal Gaz İletim A.Ş.	Turkey	99,59%	99,59%	99,59%	Natural gas	
ADG Enerji	Turkey	100%	100%	100%	Natural gas	

Aygaz Anonim Şirketi and Subsidiaries

Notes to the interim condensed consolidated financial statements as of June 30, 2015 (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)

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.

Entek Elektrik Üretim A.Ş. (Entek), the electricity producer company of Koç Group, has been operating with its two natural gas cycling plants and one cogeneration facility with a total of 302 MW power in Kocaeli, Bursa and Istanbul, and two hydroelectric power plants in Karaman and one hydroelectric power plant in Samsun with a total of 62 MW power. With the Board of Directors' Meeting held on May 8, 2015, Entek decided to apply to Energy Market Regulatory Authority ("EMRA") for the termination of electricity production license of Bursa facility as of December 31, 2015. On October 13, 2014, a Share Purchase Agreement was signed among Aygaz A.Ş., Koç Holding A.Ş. and AES Mont Blanc Holdings B.V. for the Company's acquisition of the shares with a nominal value of TL 133.594 thousand and equivalent to 24,81% of the shares of the Group's associate AES Entek Elektrik Üretimi A.Ş. for USD 62.500 thousand, and the acquisition of the shares with a nominal value of TL 133.594 thousand and equivalent to 24,81% by Koç Holding A.Ş., the Group's parent, from AES Mont Blanc Holdings B.V. for USD 62.500 thousand. After the receipt of EMRA approval and necessary legal permissions, the purchase price has been paid in cash on December 18, 2014. The share transfers have been completed on December 22, 2014 and the Company's share in Entek has increased to 49,62%. AES Entek changed its trade name as "Entek" with the decision of Ordinary General Meeting held on 2015.

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

Investments in associates	Place of incorporation and operation	Ownership interest (%)			Principal activity
		June 30, 2015	December 31, 2014	Voting power right	
EYAŞ	Turkey	20,00%	20,00%	20,00%	Energy
Entek Elektrik Üretimi A.Ş ("Entek")	Turkey	49,62%	49,62%	49,62%	Electricity

Joint ventures

Opet Aygaz Gayrimenkul A.Ş was established on September 20, 2013 as a joint venture with 50% equal shares by the Company and Opet Petrolcülük A.Ş, which is the Company's business partner, operating in distribution of fuel products. It's main activity is to establish, purchase, operate and rent fuel and LPG stations. Opet Aygaz Gayrimenkul A.Ş. decided to increase its capital from TL 90.000 thousand to TL 150.000 thousand in its Ordinary General Meeting, held on March 10, 2014. All of the related increase has been paid in cash by shareholders.

The details of the Group's joint ventures are as follows:

Joint venture	Place of incorporation and operation	Ownership interest (%)			Principal activity
		June 30, 2015	December 31, 2014	Voting power right	
Opet Aygaz Gayrimenkul A.Ş	Turkey	50,00%	50,00%	50,00%	Real Estate

Approval of condensed consolidated financial statements:

The condensed consolidated financial tables for the six months period ended on June 30, 2015 are approved on the Board of Directors meeting held on August 7, 2015 to be published.

Aygaz Anonim Şirketi and Subsidiaries

Notes to the interim condensed consolidated financial statements as of June 30, 2015 (continued)

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

2. Basis of presentation of consolidated financial statements

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

2.1 Basis of presentation

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

The Group has prepared its condensed consolidated financial statements for the period ended on June 30, 2015 in accordance with TAS 34 “Interim Financial Reporting Standards”.

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

The interim condensed consolidated financial statements do not include all of the disclosures required in year-end financial statements and should be evaluated with the Group’s consolidated financial statements as of December 31, 2014.

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

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

2.2 Changes in accounting policies

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

2.3 Summary of significant accounting policies

The condensed interim consolidated financial statements of the Group for the six month period ended June 30, 2015 have been prepared in accordance with TAS 34 “Interim Financial Reporting”. Additionally, the accounting policies used in the preparation of the condensed interim consolidated financial statements for the period ended June 30, 2015 are consistent with those used in the preparation of annual consolidated financial statements for the year ended December 31, 2014. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2014.

Aygaz Anonim Şirketi and Subsidiaries

Notes to the interim condensed consolidated financial statements as of June 30, 2015 (continued)

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

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

2.4 New and revised Turkey Financial Reporting Standards

The accounting policies adopted in preparation of the interim condensed consolidated financial statements as at 30 June 2015 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2015. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as at January 1, 2015 are as follows:

TAS 19 Defined Benefit Plans: Employee Contributions (Amendment)

TAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. The amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. These amendments are to be retrospectively applied for annual periods beginning on or after 1 July 2014. The amendment did not have any impact on the consolidated financial statements of the Group.

Annual Improvements to TAS/TFRSs

In September 2014, POA has issued the below amendments to the standards in relation to “Annual Improvements - 2010–2012 Cycle” and “Annual Improvements - 2011–2013 Cycle. The changes are effective for annual reporting periods beginning on or after 1 July 2014.

Annual Improvements - 2010–2012 Cycle

TFRS 2 Share-based Payment:

Definitions relating to performance and service conditions which are vesting conditions are clarified. The amendment is effective prospectively.

TFRS 3 Business Combinations

The amendment clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of TAS 39 (or TFRS 9, as applicable). The amendment is effective for business combinations prospectively.

TFRS 8 Operating Segments

The changes are as follows: i) An entity must disclose the judgements made by management in applying the aggregation criteria in TFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are ‘similar’. ii) The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments are effective retrospectively.

(Convenience translation of financial statements originally issued in Turkish)

Aygaz Anonim Şirketi and Subsidiaries

Notes to the interim condensed consolidated financial statements as of June 30, 2015 (continued)

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

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

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

The amendment to TAS 16.35(a) and TAS 38.80(a) clarifies that revaluation can be performed, as follows: i) Adjust the gross carrying amount of the asset to market value or ii) Determine the market value of the carrying amount and adjust the gross carrying amount proportionately so that the resulting carrying amount equals the market value. The amendment is effective retrospectively.

TAS 24 Related Party Disclosures

The amendment clarifies that a management entity – an entity that provides key management personnel services – is a related party subject to the related party disclosures. . In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment is effective retrospectively.

Annual Improvements – 2011–2013 Cycle

TFRS 3 Business Combinations

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

TFRS 13 Fair Value Measurement

The portfolio exception in TFRS 13 can be applied to financial assets, financial liabilities and other contracts within the scope of TAS 39 (or TFRS 9, as applicable). The amendment is effective prospectively.

TAS 40 Investment Property

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

The amendments did not have a significant impact on the interim condensed consolidated financial statements of the Group.

ii) 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, when the new standards and interpretations become effective.

TFRS 9 Financial Instruments – Classification and measurement

As amended in December 2012 and February 2015, the new standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Phase 1 of this new TFRS introduces new requirements for classifying and measuring financial instruments. The amendments made to TFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option (FVO) liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is adopted by POA.

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the interim condensed consolidated financial statements
as of June 30, 2015 (continued)**

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

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

TFRS 11 Acquisition of an Interest in a Joint Operation (Amendment)

TFRS 11 is amended to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. This amendment requires the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in TFRS 3 Business Combinations, to apply all of the principles on business combinations accounting in TFRS 3 and other TFRSs except for those principles that conflict with the guidance in this TFRS. In addition, the acquirer shall disclose the information required by TFRS 3 and other TFRSs for business combinations. These amendments are to be applied prospectively for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments will not have an impact on the financial position or performance of the Group.

TAS 16 and TAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments)

The amendments to TAS 16 and TAS 38, have prohibited the use of revenue-based depreciation for property, plant and equipment and significantly limiting the use of revenue-based amortisation for intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments will not have an impact on the financial position or performance of the Group.

TAS 16 Property, Plant and Equipment and TAS 41 Agriculture (Amendment) – Bearer Plants

TAS 16 is amended to provide guidance that bearer plants, such as grape vines, rubber trees and oil palms should be accounted for in the same way as property, plant and equipment in TAS 16. Once a bearer plant is mature, apart from bearing produce, its biological transformation is no longer significant in generating future economic benefits. The only significant future economic benefits it generates come from the agricultural produce that it creates. Because their operation is similar to that of manufacturing, either the cost model or revaluation model should be applied. The produce growing on bearer plants will remain within the scope of TAS 41, measured at fair value less costs to sell. Entities are required to apply the amendments for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendment is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

TAS 27 Equity Method in Separate Financial Statements (Amendments to TAS 27)

In February 2015, Public Oversight Accounting and Auditing Standards Authority (POA) of Turkey issued an amendment to TAS 27 to restore the option to use the equity method to account for investments in subsidiaries and associates in an entity’s separate financial statements. Therefore, an entity must account for these investments either:

- At cost
 - In accordance with TFRS 9,
- or
- Using the equity method defined in TAS 28

The entity must apply the same accounting for each category of investments. The amendment is effective for annual periods beginning on or after 1 January 2016. The amendments must be applied retrospectively. Early application is permitted and must be disclosed. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the interim condensed consolidated financial statements
as of June 30, 2015 (continued)**

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

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

IFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)

In February 2015, amendments issued to IFRS 10 and TAS 28, to address the acknowledged inconsistency between the requirements in IFRS 10 and TAS 28 in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture, to clarify that an investor recognises a full gain or loss on the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture. The gain or loss resulting from the re-measurement at fair value of an investment retained in a former subsidiary should be recognised only to the extent of unrelated investors' interests in that former subsidiary. An entity shall apply those amendments prospectively to transactions occurring in annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendment is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

IFRS 10, IFRS 12 and TAS 28: Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 and TAS 28)

In February 2015, amendments issued to IFRS 10, IFRS 12 and TAS 28, to address the following issues that have arisen in applying the investment entities exception under IFRS 10 Consolidated Financial Statements; i) The exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value, ii) Only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value, iii) The amendments to TAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. The amendments are applicable for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments are applied retrospectively. However, when the first time the amendments to IFRS 10 are applied, the quantitative information required TAS 8 need only be presented for the annual period immediately preceding the date of initial application. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

TAS 1: Disclosure Initiative (Amendments)

In February 2015, amendments issued to TAS 1. Those amendments include narrow-focus improvements in the following five areas: Materiality, Disaggregation and subtotals, Notes structure, Disclosure of accounting policies, Presentation of items of other comprehensive income (OCI) arising from equity accounted investments. The amendments are applicable for annual periods beginning on or after 1 January 2016. Earlier application is permitted. These amendments are not expected have significant impact on the notes to the consolidated financial statements of the Group.

Aygaz Anonim Şirketi and Subsidiaries

Notes to the interim condensed consolidated financial statements as of June 30, 2015 (continued)

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

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

Annual Improvements to TFRSs - 2012-2014 Cycle

In February 2015, POA issued, Annual Improvements to TFRSs 2012-2014 Cycle. The document sets out five amendments to four standards, excluding those standards that are consequentially amended, and the related Basis for Conclusions. The standards affected and the subjects of the amendments are:

- TFRS 5 Non-current Assets Held for Sale and Discontinued Operations – clarifies that changes in methods of disposal (through sale or distribution to owners) would not be considered a new plan of disposal, rather it is a continuation of the original plan.
- TFRS 7 Financial Instruments: Disclosures – clarifies that i) the assessment of servicing contracts that includes a fee for the continuing involvement of financial assets in accordance with TFRS 7; ii) the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report.
- TAS 19 Employee Benefits – clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located.
- TAS 34 Interim Financial Reporting –clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report.

The amendments are effective for annual periods beginning on or after 1 January 2016, with earlier application permitted. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

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

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

Annual Improvements – 2010–2012 Cycle

TFRS 13 Fair Value Measurement

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

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**Notes to the interim condensed consolidated financial statements
as of June 30, 2015 (continued)**

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

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

Annual Improvements – 2011–2013 Cycle

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers. The new five-step model in the standard provides the recognition and measurement requirements of revenue. The standard applies to revenue from contracts with customers and provides a model for the sale of some non-financial assets that are not an output of the entity’s ordinary activities (e.g., the sale of property, plant and equipment or intangibles). IFRS 15 original effective date was 1 January 2017. However, in July 2015, IASB decided to defer the effective date to is effective for reporting periods beginning on or after 1 January 2018, with early adoption permitted. Entities will transition to the new standard following either a full retrospective approach or a modified retrospective approach. The modified retrospective approach would allow the standard to be applied beginning with the current period, with no restatement of the comparative periods, but additional disclosures are required. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

IFRS 9 Financial Instruments - Final standard (2014)

In July 2014 the IASB published the final version of IFRS 9 Financial Instruments. The final version of IFRS 9 brings together the classification and measurement, impairment and hedge accounting phases of the IASB’s project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 is built on a logical, single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. Built upon this is a forward-looking expected credit loss model that will result in more timely recognition of loan losses and is a single model that is applicable to all financial instruments subject to impairment accounting. In addition, IFRS 9 addresses the so-called ‘own credit’ issue, whereby banks and others book gains through profit or loss as a result of the value of their own debt falling due to a decrease in credit worthiness when they have elected to measure that debt at fair value. The Standard also includes an improved hedge accounting model to better link the economics of risk management with its accounting treatment. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

3. Segment reporting

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

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

- Gas and petroleum products
- Electricity
- Other

Aygaz Anonim Şirketi and Subsidiaries

Notes to the interim condensed consolidated financial statements

as of June 30, 2015 (continued)

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

3. Segment reporting (continued)

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

As of June 30, 2015 and December 31, 2014, assets and liabilities according to industrial segments are as follows:

	June 30, 2015				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Assets					
Current assets	672.961	-	105.990	(8.868)	770.083
Non-current assets	2.417.865	331.971	277.460	(233.103)	2.794.193
Total assets	3.090.826	331.971	383.450	(241.971)	3.564.276
Liabilities					
Short-term liabilities	650.998	-	56.561	(15.800)	691.759
Long-term liabilities	487.203	-	14.099	3.052	504.354
Equity	1.952.625	331.971	312.790	(229.223)	2.368.163
Total liabilities and equity	3.090.826	331.971	383.450	(241.971)	3.564.276
Investments accounted under equity method	1.330.644	331.971	75.875	-	1.738.490
	December 31, 2014				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Assets					
Current assets	594.264	-	124.293	(5.082)	713.475
Non-current assets	2.319.945	327.879	184.631	(133.712)	2.698.743
Total assets	2.914.209	327.879	308.924	(138.794)	3.412.218
Liabilities					
Short-term liabilities	691.263	-	33.307	(9.958)	714.612
Long-term liabilities	322.114	-	13.255	3.047	338.416
Equity	1.900.832	327.879	262.362	(131.883)	2.359.190
Total liabilities and equity	2.914.209	327.879	308.924	(138.794)	3.412.218
Investments accounted under equity method	1.273.776	327.879	75.306	-	1.676.961

(Convenience translation of financial statements originally issued in Turkish)

Aygaz Anonim Şirketi and Subsidiaries

Notes to the interim condensed consolidated financial statements as of June 30, 2015 (continued)

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

3. Segment reporting (continued)

For the period ended June 30, 2015 and 2014, profit or loss statements according to industrial segments are as follows:

	January 1 - June 30, 2015				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Revenue	2.819.530	-	218.471	(74.446)	2.963.555
Cost of sales (-)	(2.543.293)	-	(186.747)	74.767	(2.655.273)
Gross profit	276.237	-	31.724	321	308.282
General administrative expenses (-)	(78.465)	-	(10.207)	553	(88.119)
Marketing, sales and distribution expenses (-)	(113.869)	-	(6.061)	-	(119.930)
Research and development expenses (-)	(755)	-	-	-	(755)
Other operating income	98.041	-	5.308	(50.912)	52.437
Other operating expenses (-)	(46.854)	-	(3.640)	480	(50.014)
Operating profit	134.335	-	17.124	(49.558)	101.901
Income from investment activities	148	-	587	-	735
Loss from investment activities (-)	(220)	-	(105)	-	(325)
Profit/losses from investments accounted under equity method	79.634	4.324	569	-	84.527
Operating profit before financial income/(expense)	213.897	4.324	18.175	(49.558)	186.838
Financial income	60.389	-	5.562	-	65.951
Financial expense (-)	(80.137)	-	(400)	-	(80.537)
Profit before taxation	194.149	4.324	23.337	(49.558)	172.252
Tax income / (expense)					
Current tax expense for the period (-)	(6.739)	-	(2.586)	-	(9.325)
Deferred tax income/(expense)	(2.851)	-	52	-	(2.799)
Profit for the period	184.559	4.324	20.803	(49.558)	160.128
Distribution of profit for the period:					
Non-controlling interest	52	-	-	-	52
Equity holders of the parent	184.507	4.324	20.803	(49.558)	160.076
Investments accounted under equity method	79.634	4.324	569	-	84.527

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the interim condensed consolidated financial statements
as of June 30, 2015 (continued)**

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

3. Segment reporting (continued)

	January 1 - June 30, 2014				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Revenue	3.330.336	-	235.325	(74.102)	3.491.559
Cost of sales (-)	(3.095.020)	-	(208.119)	74.621	(3.228.518)
Gross profit	235.316		27.206	519	263.041
General administrative expenses (-)	(68.449)	-	(9.350)	500	(77.299)
Marketing, sales and distribution expenses (-)	(104.791)	-	(6.421)	-	(111.212)
Research and development expenses (-)	(1.238)	-	-	-	(1.238)
Other operating income	80.002	-	3.619	(24.562)	59.059
Other operating expenses (-)	(46.896)	-	(2.530)	(20)	(49.446)
Operating profit	93.944		12.524	(23.563)	82.905
Income from investment activities	4.065	-	60	-	4.125
Loss from investment activities (-)	(498)	-	-	-	(498)
Profit/losses from investments accounted under equity method	81.882	1.018	(19)	-	82.881
Operating profit before financial income/(expense)	179.393	1.018	12.565	(23.563)	169.413
Financial income	19.576	-	2.267	-	21.843
Financial expense (-)	(31.959)	-	(1.185)	-	(33.144)
Profit before taxation	167.010	1.018	13.647	(23.563)	158.112
Tax income / (expense)					
Current tax expense for the period (-)	(12.587)	-	(1.331)	-	(13.918)
Deferred tax income/(expense)	3.954	-	152	-	4.106
Profit for the period	158.377	1.018	12.468	(23.563)	148.300
Distribution of profit for the period:					
Non-controlling interest	36	-	-	-	36
Equity holders of the parent	158.341	1.018	12.468	(23.563)	148.264
Investments accounted under equity method	81.882	1.018	(19)	-	82.881

The amortization and depreciation expense for the industrial segmental assets for the period ended as of June 30, 2015 and 2014 are as follows:

	January 1 - June 30, 2015	January 1 - June 30, 2014
Gas and petroleum products	38.489	37.824
Other	4.771	3.592
	43.260	41.416

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Notes to the interim condensed consolidated financial statements as of June 30, 2015 (continued)

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

3. Segment reporting (continued)

The investment expenditures for the industrial segmental assets for the periods ended as of June 30, 2015 and 2014 are as follows:

	January 1 - June 30, 2015	January 1 - June 30, 2014
Gas and petroleum products	38.461	33.632
Other (*)	67.842	333
	106.303	33.965

(*) On February 25, 2015, the vessel named "Knightsbridge" which is used in the transportation of liquid fuel gas, was bought for USD 27.150 thousand in cash by Kandilli Tankercilik A.Ş - the Company's subsidiary.

4. Cash and cash equivalents

	June 30, 2015	December 31, 2014
Cash on hand	835	518
Cash at banks	146.933	134.869
- Demand deposits	17.603	14.177
- Time deposits	129.330	120.692
Receivables from credit card transactions	31.543	25.517
Total cash and cash equivalents	179.311	160.904

As of June 30, 2015 the Group's TL time deposits amounting to TL 32.540 thousand have maturities of 1-31 days and interest rate of 10 - 10,2%; USD time deposits amounting to USD 36.030 thousand (TL 96.787 thousand) have maturities of 1 day and interest rate of 1,75% (As of December 31, 2014 the Group's TL time deposits amounting to TL 83.890 thousand have maturities of 2 – 54 days and interest rates of 8,75 – 10,00%; USD time deposits amounting to USD 15.870 thousand (TL 36.801 thousand) have a maturity of 2 days and an interest rate of 1,55%).

5. Financial assets

The long-term financial assets identified as financial assets held for sale by the Group are as follows as of June 30, 2015 and December 31, 2014:

	June 30, 2015		December 31, 2014	
	Participation amount	Participation rate %	Participation amount	Participation rate %
Koç Finansal Hizmetler A.Ş. (*)	315.200	1,97	344.750	1,97
Ram Dış Ticaret A.Ş. (**)	925	2,50	925	2,50
Tanı Pazarlama ve İletişim Hizmetleri A.Ş. (***)	540	10,00	540	10,00
Tat Gıda Sanayi A.Ş. (**)	92	0,08	55	0,08
Other (***)	436	-	436	-
	317.193		346.706	

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

(**) Stated at fair value, increase in value is accounted as "profit from increase in value" under consolidated profit or loss.

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

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Notes to the interim condensed consolidated financial statements as of June 30, 2015 (continued)

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

6. Financial borrowings

As of June 30, 2015 and December 31, 2014 the Group's short-term financial borrowings are as follows:

	June 30, 2015	December 31, 2014
USD-denominated short-term borrowings	64.659	-
TL-denominated short-term borrowings (*)	32.710	4.625
Interest accruals of TL-denominated short-term borrowings	885	-
Interest accruals of USD-denominated short-term borrowings	150	-
Total short-term financial borrowings	98.404	4.625
Short-term portion and interest accruals of TL-denominated long-term borrowings	14.903	13.616
Interest accruals of USD-denominated long-term borrowings	765	120
Short-term portion of long-term bonds issued (**)	9.812	152.871
Total short-term portion of long-term financial borrowings	25.480	166.607

(*) As of June 30, 2015, the Group has interest free loan with a total amount of TL 2.710 thousand which was used for SSI payment amounting to TL 1.676 thousand and custom expenses payment amounting to TL 1.034 thousand. The Group has floating rate loan amounting to TL 30.000 thousand with the maturity at April 13, 2016. (December 31, 2014: TL 4.625 thousand). Interest rates varies between 11,3% and 13,2%.

(**) On March 18, 2015 and March 30, 2015, the Group has issued a fixed rate bond with a nominal value of TL 100.000 thousand, with a maturity of 728 days and semiannually coupon payments; with a nominal value of TL 60.000 thousand, with a maturity of 1.092 days and quarterly coupon payments. As of June 30, 2015, net present value of the issued bond is TL 162.921 thousand (TL 153.109 thousand of this amount is shown as long-term bond issued) and its effective interest rate varies between 10,55% and 10,94%.

As of June 30, 2015, the details of short-term bank borrowings are as follows:

Currency	Effective interest rate per annum (%)	Original amount	TL amount
TL	11,3%-13,2%	33.595	33.595
USD	2,1%	24.126	64.809
			98.404
Interest accruals of TL and USD-denominated short term borrowings			(1.035)
			97.369

As of December 31, 2014, the details of short-term bank borrowings are as follows:

Currency	Effective interest rate per annum (%)	Original amount	TL amount
TL	-	4.625	4.625
			4.625

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Aygaz Anonim Şirketi and Subsidiaries

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as of June 30, 2015 (continued)

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

6. Financial borrowings (continued)

As of June 30, 2015 and December 31, 2014 the Group's long-term financial borrowings are as follows:

	June 30, 2015	December 31, 2014
TL-denominated long-term borrowings	126.637	138.242
USD-denominated long-term borrowings	72.530	55.816
Total long-term borrowings	199.167	194.058
Long-term bonds issued	153.109	-
Total long-term bonds issued	153.109	-
Total long-term borrowings	352.276	194.058

As of June 30, 2015 the details of long-term bank borrowings are as follows:

Currency	Effective interest rate per annum (%)	Original amount	TL amount
TL	10,6%-10,95%	141.541	141.541
USD	2,08%-3,09%	27.284	73.294
			214.835
Short-term portion and interest accruals of long-term financial borrowings			(15.668)
			199.167

As of December 31, 2014 the details of long-term bank borrowings are as follows:

Currency	Effective interest rate per annum (%)	Original amount	TL amount
TL	11,66%-14,08%	151.858	151.858
USD	2,08%	24.122	55.936
			207.794
Short-term portion and interest accruals of long-term financial borrowings			(13.736)
			194.058

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

7. Derivative financial instruments

As of June 30, 2015 and December 31, 2014, the Group's derivative financial instruments are as follows:

Short-term derivative financial instruments	June 30, 2015		December 31, 2014	
	Contract amount	Fair value assets/(liabilities)	Contract amount	Fair value assets/(liabilities)
Forward transactions (*)	27.299	(395)	26.787	500
Forward transactions (*)	26.876	345	-	-
Foreign currency swap contracts (**)	50.635	14.028	-	-
Total short-term derivative financial instruments	104.810	13.978	26.787	500

Long-term derivative financial instruments	June 30, 2015		December 31, 2014	
	Contract amount	Fair value assets/(liabilities)	Contract amount	Fair value assets/(liabilities)
Foreign currency swap contracts (**)	-	-	50.635	4.294

(*) As of June 30, 2015 the Group made forward transaction with a maturity of 1-80 days and nominal value amounting to USD 20.050 thousand.

(**) In May, 2014, the Group has realized swap transaction with a contract amounting to TL 50.635 thousand with 2 years maturity, quarterly interest payment and fixed interest rate of 11,2%, in return for USD 24.070 thousand with a floating interest rate of three-month USDLIBOR +1,8%.

8. Trade receivables and payables from third parties

The Group's trade receivables from third parties as of June 30, 2015 and December 31, 2014 are as follows:

Current trade receivables	June 30, 2015	December 31, 2014
Trade receivables	325.136	346.700
Notes receivables	49.833	40.640
Allowance for doubtful receivables (-)	(18.193)	(17.943)
Total current trade receivables	356.776	369.397

Non-current trade receivables	June 30, 2015	December 31, 2014
Notes receivable	8.345	5.236
Total non-current trade receivables	8.345	5.236

The Group's trade payables to third parties as of June 30, 2015 and December 31, 2014 are as follows:

Short-term trade payables	June 30, 2015	December 31, 2014
Trade payables	188.738	208.932
Total short-term trade payables	188.738	208.932

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as of June 30, 2015 (continued)

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

9. Inventories

	June 30, 2015	December 31, 2014
Raw materials	115.721	74.438
Trade goods	13.926	15.182
Goods in transit	2.809	11.276
Finished goods	7.513	8.418
Work in process	1.648	1.363
Allowance for impairment on inventory	(229)	(229)
Total inventories	141.388	110.448

As of June 30, 2015, inventories includes 45.671 tons of LPG (December 31, 2014 - 39.031 tons).

10. Equity investments

	June 30, 2015		December 31, 2014	
	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	1.574		1.230	
Legal reserves	15.494		14.239	
Financial risk hedge fund	(23.156)		(46)	
Actuarial gain/loss arising from defined benefit plans	(1.141)		(1.141)	
The share of the Group in the retained earnings after the acquisition date	675.915		597.536	
	1.330.644	20,00%	1.273.776	20,00%
Entek acquisition value	118.930		118.930	
Acquisition of additional shares	147.831		147.831	
Participation in share capital increase of equity investment	108.300		108.300	
The share of the Group in the retained earnings after the acquisition date	(43.406)		(47.730)	
Financial risk hedge fund	(130)		-	
Actuarial gain/loss arising from defined benefit plans	(102)		-	
Fair value adjustment for share purchase	548		548	
	331.971	49,62%	327.879	49,62%
Opet Aygaz Gayrimenkul A.Ş.	45.000		45.000	
Participation in share capital increase of equity investment	30.000		30.000	
Group's share in accumulated profit occurred after the date of establishment	875		306	
	75.875	50,00%	75.306	50,00%
Total	1.738.490		1.676.961	

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Aygaz Anonim Şirketi and Subsidiaries

**Notes to the interim condensed consolidated financial statements
as of June 30, 2015 (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, 2015	16.204	122.673	70.847	1.577.648	179.650	55.463	25.022	16.135	2.063.642
Additions	-	-	-	938	67.618	115	213	37.415	106.299
Transfers (*)	-	66	60	23.564	363	1.882	-	(25.965)	(30)
Disposals	-	(174)	(170)	(6.920)	(674)	(2.383)	(37)	-	(10.358)
Ending balance as of June 30, 2015	16.204	122.565	70.737	1.595.230	246.957	55.077	25.198	27.585	2.159.553
Accumulated depreciation									
Opening balance as of January 1, 2015	-	52.523	47.247	1.220.227	94.012	40.953	23.617	-	1.478.579
Charge for the period	-	2.295	993	27.599	7.168	2.214	393	-	40.662
Disposals	-	(105)	(6)	(6.038)	(291)	(1.373)	(9)	-	(7.822)
Ending balance as of June 30, 2015	-	54.713	48.234	1.241.788	100.889	41.794	24.001	-	1.511.419
Net book value as of June 30, 2015	16.204	67.852	22.503	353.442	146.068	13.283	1.197	27.585	648.134

(*) TL 30 thousand under “Construction in progress” under the account property, plant and equipment has been classified to intangible fixed assets.

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Aygaz Anonim Şirketi and Subsidiaries

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(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, 2014	16.204	115.176	70.607	1.555.764	205.600	53.042	24.719	11.901	2.053.013
Additions	-	-	-	1.595	128	64	-	32.178	33.965
Transfers	-	20	5	20.841	-	603	232	(21.701)	-
Disposals	-	(470)	(8)	(20.836)	(1.977)	(1.502)	(234)	-	(25.027)
Ending balance as of June 30, 2014	16.204	114.726	70.604	1.557.364	203.751	52.207	24.717	22.378	2.061.951
Accumulated depreciation									
Opening balance as of January 1, 2014	-	48.769	45.216	1.192.476	115.316	38.954	22.952	-	1.463.683
Charge for the period	-	2.134	1.019	27.779	5.295	2.035	390	-	38.652
Disposals	-	(304)	(2)	(17.417)	(1.777)	(1.456)	(75)	-	(21.031)
Ending balance as of June 30, 2014	-	50.599	46.233	1.202.838	118.834	39.533	23.267	-	1.481.304
Net book value as of June 30, 2014	16.204	64.127	24.371	354.526	84.917	12.674	1.450	22.378	580.647

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Aygaz Anonim Şirketi and Subsidiaries

Notes to the interim condensed consolidated financial statements

as of June 30, 2015 (continued)

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12. Intangible assets

	Rights	Total
Acquisition costs		
Opening balance as of January 1, 2015	53.825	53.825
Additions	4	4
Transfers (*)	30	30
Ending balance as of June 30, 2015	53.859	53.859
Accumulated depreciation		
Opening balance as of January 1, 2015	28.077	28.077
Charge for the period	2.598	2.598
Ending balance as of June 30, 2015	30.675	30.675
Carrying value as of June 30, 2015	23.184	23.184

(*) TL 30 thousand under “Construction in progress” under the account property, plant and equipment has been classified to intangible assets.

	Rights	Total
Acquisition costs		
Opening balance as of January 1, 2014	53.152	53.152
Disposals	(24)	(24)
Ending balance as of June 30, 2014	53.128	53.128
Accumulated depreciation		
Opening balance as of January 1, 2014	22.590	22.590
Charge for the period	2.764	2.764
Disposals	(2)	(2)
Ending balance as of June 30, 2014	25.352	25.352
Carrying value as of June 30, 2014	27.776	27.776

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Aygaz Anonim Şirketi and Subsidiaries

**Notes to the interim condensed consolidated financial statements
as of June 30, 2015 (continued)**

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

13. Provisions, contingent liabilities and assets

Guarantees given	June 30, 2015	December 31, 2014
Letter of guarantees given to customs for gas import	837.887	813.698
Other letter of guarantees given	21.636	21.190
	859.523	834.888

The liability for environmental pollution:

According to the effective environmental laws, the Group is responsible for the environmental pollution it causes as a result of its operational activities without seeking a reason of fault. The Group may be fined with indemnity if the Group causes an environmental pollution. There is no case opened for environmental pollution against the Group, accordingly the Group does not have liability related with the environmental pollution cases as of the interim consolidated balance sheet date.

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 tankers or the rented tankers of licensed third parties.

(Convenience translation of financial statements originally issued in Turkish)

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the interim 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 (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, 2015				December 31, 2014			
	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	35.521	6.071	587.376	628.968	31.332	3.803	591.772	626.907
B. GPMs given in favor of subsidiaries included in full consolidation	-	127.064	103.491	230.555	-	63.948	144.033	207.981
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 parties not in the scope of C above	-	-	-	-	-	-	-	-
Total amount of GPM	35.521	133.135	690.867	859.523	31.332	67.751	735.805	834.888

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the interim condensed consolidated financial statements
as of June 30, 2015 (continued)**

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

14. Other short-term provisions and other current liabilities

	June 30, 2015	December 31, 2014
Other short-term provisions		
Special Consumption Tax (SCT) provision on imported LPG	50.068	33.542
Provision for other operating expenses	21.586	28.211
Provision for lawsuit	6.060	6.221
Provision for selling and marketing expenses	9.023	4.269
Provision for EMRA contribution	3.299	4.097
Total other short term provisions	90.036	76.340
	June 30, 2015	December 31, 2014
Other current liabilities		
Taxes and funds payable	100.952	97.276
Other liabilities	1.793	1.933
Total other current liabilities	102.745	99.209

15. Share capital

As of June 30, 2015 and December 31, 2014 the share capital held is as follows:

Shareholders	Participation rate	June 30, 2015	Participation rate	December 31, 2014
Koç Holding A.Ş.	40,68%	122.054	40,68%	122.054
Liquid Petroleum Gas Development Company (“LPGDC”) (*)	24,52%	73.546	24,52%	73.546
Temel Ticaret ve Yatırım A.Ş.	5,29%	15.884	5,29%	15.884
Koç Family	5,24%	15.705	5,24%	15.705
Publicly held (*)	24,27%	72.811	24,27%	72.811
Nominal capital	100,00%	300.000	100,00%	300.000
Inflation adjustment (**)		71.504		71.504
Adjusted capital		371.504		371.504

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

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

Dividend paid

In the Ordinary General Meeting held on March 30, 2015, the Company decided to reserve TL 8.500 thousand as legal reserves and distribute TL 100.000 thousand gross dividends from the net distributable income of 2014. According to this decision, the Company has begun dividend payments on April 6, 2015.

Aygaz Anonim Şirketi and Subsidiaries

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as of June 30, 2015 (continued)

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16. Earnings per share

	January 1 – June 30, 2015	April 1 – June 30, 2015	January 1 – June 30, 2014	April 1 – June 30, 2014
Average number of shares throughout the period (thousand)	300.000	300.000	300.000	300.000
Net profit for the year attributable to equity holders of the parent	160.076	106.808	148.264	64.493
Earnings per share (TL)	0,533587	0,356027	0,494213	0,214977

17. Tax assets and liabilities

	June 30, 2015	December 31, 2014
Current tax liability		
Current corporate tax provision	9.325	23.167
Less: Prepaid taxes and funds	(3.971)	(22.011)
Current tax liability	5.354	1.156

	January 1- June 30, 2015	January 1- June 30, 2014
Tax expense in income statement		
Current corporate tax provision	(9.325)	(13.918)
Deferred tax income / (expense)	(2.799)	4.106
	(12.124)	(9.812)

Corporate tax

The Group is subject to Turkish corporate taxes. Provision is made in the accompanying condensed 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 2015 is 20% (2014: 20%).

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate in 2015 is 20% (2014: 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.

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17. Tax assets and liabilities (continued)

Deferred tax

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between the financial statements as reported for TAS/IFRS purposes issued by POA 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 TAS/IFRS and tax legislation. The rate applied in the calculation of deferred tax assets and liabilities is 20% (December 31, 2014: 20%).

Deferred tax (assets) / liabilities:	June 30, 2015	December 31, 2014
Restatement and depreciation / amortization differences of property, plant and equipment and other intangible assets	35.670	34.899
Revaluation fund on financial assets	11.244	12.722
Provision for employment termination benefits	(4.869)	(4.521)
Valuation of inventories	(2.683)	(2.863)
Other	(2.492)	(4.688)
	36.870	35.549

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, 2015			December 31, 2014		
	Deferred tax			Deferred tax		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Aygaz A.Ş.	(11.527)	47.631	36.104	(13.441)	47.789	34.348
Akpa A.Ş.	(755)	311	(444)	(677)	286	(391)
Aygaz Doğal Gaz	(538)	1.748	1.210	(526)	2.118	1.592
	(12.820)	49.690	36.870	(14.644)	50.193	35.549

Movement of deferred tax from continuing operations is as follows:

Movement of deferred tax (asset) / liability:	2015	2014
Opening balance as of January 1	35.549	36.703
Deferred tax expense / (income)	2.799	(4.106)
Deferred tax associated with financial asset revaluation fund	(1.478)	2.462
Closing balance as of June 30	36.870	35.059

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18. Transactions with related parties

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

June 30, 2015				
Balances with related parties	Receivables		Payables	
	Trade	Non-trade	Trade	Non-trade
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	11.905	-	83.933	-
Demir Export A.Ş.	4.602	-	-	-
Ford Otomotiv Sanayi A.Ş.	1.627	-	-	-
Tat Gıda Sanayi A.Ş.	605	-	-	-
Arçelik A.Ş.	134	-	23.267	-
Opet Petrolcülük A.Ş.	159	-	24.510	-
Otokoç Otomotiv Tic. ve San. A.Ş.	5	-	2.209	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	571	-
Ram Dış Ticaret A.Ş.	-	-	5.846	-
Zer Merkezi Hizmetler ve Ticaret A.Ş. (**)	-	-	9.609	-
Other	1.769	-	2.598	-
Shareholders				
Koç Holding A.Ş.	-	-	15	-
Investments accounted under equity method				
Entek Elektrik Üretimi A.Ş.	9	-	333	-
	20.815	-	152.891	-
December 31, 2014				
Balances with related parties	Receivables		Payables	
	Trade	Non-trade	Trade	Non-trade
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	11.244	-	52.931	-
Demir Export A.Ş.	5.305	-	-	-
Ford Otomotiv Sanayi A.Ş.	1.149	-	-	-
Tat Gıda Sanayi A.Ş.	444	-	-	-
Arçelik A.Ş.	319	-	9.738	-
Otokoç Otomotiv Tic. ve San. A.Ş.	51	-	1.598	-
Opet Petrolcülük A.Ş.	47	-	24.087	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	1.700	-
Zer Merkezi Hizmetler ve Ticaret A.Ş. (**)	-	-	4.087	-
Ram Dış Ticaret A.Ş.	-	-	10.790	-
Other	1.875	-	2.038	-
Shareholders				
Koç Holding A.Ş.	-	-	2.196	-
Investments accounted under the equity method				
Entek Elektrik Üretimi A.Ş.	1	-	460	-
	20.435	-	109.625	-

(*) Group companies include Koç Group companies.

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

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18. Transactions with related parties (continued)

As of June 30, 2015, dividends payable amounting to TL 547 thousand (December 31, 2014 – TL 506 thousand) is reflected within other payables to related parties under short-term liabilities.

January 1 - June 30, 2015				
Transactions with related parties	Purchases (Goods)	Sales (Goods)	Purchases (Services)	Sales (Services)
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	364.441	181.940	1.409	-
Opet Petrolcülük A.Ş.(**)	87.192	513	245	-
Arçelik A.Ş.	27.652	1.445	35	-
Ram Dış Ticaret A.Ş.	19.267	-	2.268	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	10.680	4	12.060	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	20	123	3.147	-
Otokoç Otomotiv Tic. ve San. A.Ş.	4	787	554	-
Tanı Pazarlama ve İletişim Hizmetleri A.Ş.	-	3	1.339	-
Ford Otomotiv Sanayi A.Ş.	-	8.909	-	-
Demir Export A.Ş.	-	16.842	-	-
Tat Gıda Sanayi A.Ş.	-	2.449	-	-
Setur Servis Turistik A.Ş.	-	44	1.235	-
Other	1.806	8.347	1.423	-
Shareholders				
Koç Holding A.Ş.	-	18	4.005	-
Investments accounted under equity method				
Entek Elektrik Üretimi A.Ş.	-	18	1.830	-
	511.062	221.442	29.550	-

January 1 - June 30, 2014				
Transactions with related parties	Purchases (Goods)	Sales (Goods)	Purchases (Services)	Sales (Services)
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	392.632	187.855	924	-
Opet Petrolcülük A.Ş.(**)	95.915	553	119	-
Arçelik A.Ş.	25.337	2.381	49	-
Ram Dış Ticaret A.Ş.	20.098	-	478	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	8.302	3	8.692	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	6	65	2.828	-
Tanı Pazarlama ve İletişim Hizmetleri A.Ş.	-	4	1.062	-
Otokoç Otomotiv Tic. ve San. A.Ş.	4	1.367	518	-
Ford Otomotiv Sanayi A.Ş.	-	9.166	-	-
Demir Export A.Ş.	-	25.125	-	-
Tat Gıda Sanayi A.Ş.	-	2.100	-	-
Setur Servis Turistik A.Ş.	-	24	1.261	-
Setair Hava Taşımacılığı ve Hizm. A.Ş.	-	-	2.268	-
Other	2.169	8.634	630	-
Shareholders				
Koç Holding A.Ş.	-	18	2.390	-
Investments accounted under equity method				
Entek Elektrik Üretimi A.Ş.	-	8	1.420	-
	544.463	237.303	22.639	-

(*) Group companies include Koç Group companies.

(**) Commission expense regarding LPG sold at Opet stations as of June 30, 2015 is TL 46.230 thousand (June 30, 2014 - TL 42.947 thousand). The commission expense mentioned above is evaluated as part of sales and accounted under income statement as sales discounts.

(Convenience translation of financial statements originally issued in Turkish)

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the interim condensed consolidated financial statements
as of June 30, 2015 (continued)**

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

18. Transactions with related parties (continued)

January 1 - June 30, 2015				
Tangible asset and rent transactions with related parties	Rent income	Rent expense	Fixed asset purchases	Fixed asset sales
Group companies (*)				
Opet Petrolcülük A.Ş.	261	5	-	-
Otokoç Otomotiv Tic. ve San. A.Ş.	-	2.172	468	-
Yapı Kredi Bankası A.Ş.	-	137	-	-
Türkiye Petrol Rafinerileri A.Ş.	-	4	-	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	575	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	-	-	342	-
Otokar Otomotiv ve Savunma Sanayi A.Ş.	-	-	308	-
Other	-	-	9	-
Shareholders				
Koç Family	-	816	-	-
	261	3.134	1.702	-

January 1 - June 30, 2014				
Tangible asset and rent transactions with related parties	Rent income	Rent expense	Fixed asset purchases	Fixed asset sales
Group companies (*)				
Opet Petrolcülük A.Ş.	241	402	-	-
Otokoç Otomotiv Tic. ve San. A.Ş.	-	2.240	22	-
Yapı Kredi Bankası A.Ş.	-	95	-	-
Türkiye Petrol Rafinerileri A.Ş.	-	6	-	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	119	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	-	-	34	-
Other	1	-	8	-
	242	2.743	183	-

(*) Group companies include Koç Group companies.

(Convenience translation of financial statements originally issued in Turkish)

Aygaz Anonim Şirketi and Subsidiaries

Notes to the interim condensed consolidated financial statements as of June 30, 2015 (continued)

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

18. Transactions with related parties (continued)

Financial and other transactions with related parties	January 1 - June 30, 2015			
	Financial income	Financial expense	Other Income	Other expense
Group companies (*)				
Yapı Kredi Bankası A.Ş.	9.313	2.522	-	-
Opet Petrolcülük A.Ş.	-	-	-	476
Koç Finansal Hizmetler A.Ş.	-	-	6.353	-
Ram Dış Ticaret A.Ş.	-	-	150	-
Ditaş Deniz İşletmeciliği ve Tic. A.Ş.	-	-	4	-
	9.313	2.522	6.507	476

Financial and other transactions with related parties	January 1 - June 30, 2014			
	Financial income	Financial expense	Other Income	Other expense
Group companies (*)				
Yapı Kredi Bankası A.Ş.	6.028	10.598	-	-
Koç Finansal Hizmetler A.Ş.	-	-	6.392	-
	6.028	10.598	6.392	-

Cash at banks **June 30, 2015** December 31, 2014

Group companies (*)		
Yapı Kredi Bankası A.Ş.	134.905	124.805

Credit card receivables **June 30, 2015** December 31, 2014

Group companies (*)		
Yapı Kredi Bankası A.Ş.	28.096	22.324

(*) Group companies include Koç Group companies.

Benefits to Top Management

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

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

Total of the benefit provided to senior management of the Group as of June 30, 2015 is TL 3.365 thousand (June 30, 2014: TL 2.938 thousand).

Aygaz Anonim Şirketi and Subsidiaries**Notes to the interim condensed consolidated financial statements
as of June 30, 2015 (continued)**

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

19. Nature and level of risk derived from financial instruments**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 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, 2015, the Group has LPG amounting to TL 41.727 thousand (December 31, 2014 TL 37.824 thousand).

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

June 30, 2015		Total TL equivalent	TL equivalent of USD	TL equivalent of Euro	TL equivalent of other
1.	Trade receivables	7.518	7.518	-	-
2.a	Monetary financial assets	98.437	97.837	477	123
2.b	Non-monetary financial assets	-	-	-	-
3.	Other	319	319	-	-
4.	Current assets	106.274	105.674	477	123
5.	Trade receivables	-	-	-	-
6.a	Monetary financial assets	-	-	-	-
6.b	Non-monetary financial assets	-	-	-	-
7.	Other	-	-	-	-
8.	Non-current assets	-	-	-	-
9.	Total assets	106.274	105.674	477	123
10.	Trade payables	(115.064)	(114.560)	(458)	(46)
11.	Financial liabilities	(65.574)	(65.574)	-	-
12.a	Other monetary financial liabilities	-	-	-	-
12.b	Other non-monetary financial liabilities	-	-	-	-
13.	Current liabilities	(180.638)	(180.134)	(458)	(46)
14.	Trade payables	-	-	-	-
15.	Financial liabilities	(72.530)	(72.530)	-	-
16.a	Other monetary financial liabilities	-	-	-	-
16.b	Other non-monetary financial liabilities	-	-	-	-
17.	Non-current liabilities	(72.530)	(72.530)	-	-
18.	Total liabilities	(253.168)	(252.664)	(458)	(46)
19.	Net asset / liability position of off balance sheet liabilities (19a-19b)	118.520	118.520	-	-
19.a	Total hedged assets	118.520	118.520	-	-
19.b	Total hedged liabilities	-	-	-	-
20.	Net foreign currency asset / liability position	(28.374)	(28.470)	19	77
21.	Net foreign currency asset / liability position of monetary items (1+2a+5+6a+10+11+12a+14+15+16a)	(147.213)	(147.309)	19	77
22.	Fair value of foreign currency hedged financial assets	13.978	-	-	-
23.	Hedged foreign currency assets	-	-	-	-
24.	Hedged foreign currency liabilities	-	-	-	-
25.	Export	253.206	251.011	2.195	-
26.	Import	843.426	841.512	1.290	624

Aygaz Anonim Şirketi and Subsidiaries

**Notes to the interim condensed consolidated financial statements
as of June 30, 2015 (continued)**

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

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

December 31, 2014		Total TL equivalent	TL equivalent of USD	TL equivalent of Euro	TL equivalent of other
1.	Trade receivables	24.779	22.449	90	2.240
2.a	Monetary financial assets	38.048	37.123	184	741
2.b	Non-monetary financial assets	-	-	-	-
3.	Other	-	-	-	-
4.	Current assets	62.827	59.572	274	2.981
5.	Trade receivables	-	-	-	-
6.a	Monetary financial assets	-	-	-	-
6.b	Non-monetary financial assets	-	-	-	-
7.	Other	-	-	-	-
8.	Non-current assets	-	-	-	-
9.	Total assets	62.827	59.572	274	2.981
10.	Trade payables	(100.269)	(99.666)	(603)	-
11.	Financial liabilities	(120)	(120)	-	-
12.a	Other monetary financial liabilities	-	-	-	-
12.b	Other non-monetary financial liabilities	-	-	-	-
13.	Current liabilities	(100.389)	(99.786)	(603)	-
14.	Trade payables	-	-	-	-
15.	Financial liabilities	(55.816)	(55.816)	-	-
16.a	Other monetary financial liabilities	-	-	-	-
16.b	Other non-monetary financial liabilities	-	-	-	-
17.	Non-current liabilities	(55.816)	(55.816)	-	-
18.	Total liabilities	(156.205)	(155.602)	(603)	-
19.	Net asset / liability position of off balance sheet asset and liabilities (19a-19b)	82.832	82.832	-	-
19.a	Total foreign currency amount of off-balance sheet derivative financial assets	82.832	82.832	-	-
19.b	Total foreign currency amount of off-balance sheet derivative financial liabilities	-	-	-	-
20.	Net foreign currency asset / liability position	(10.546)	(13.198)	(329)	2.981
21.	Net foreign currency asset / liability position of monetary items (1+2a+5+6a+10+11+12a+14+15+16a)	(93.378)	(96.030)	(329)	2.981
22.	Fair value of foreign currency hedged financial assets	-	-	-	-
23.	Hedged foreign currency assets	-	-	-	-
24.	Hedged foreign currency liabilities	-	-	-	-
25.	Export	513.262	507.057	6.205	-
26.	Import	2.380.071	2.375.342	3.974	755

Aygaz Anonim Şirketi and Subsidiaries

Notes to the interim condensed consolidated financial statements

as of June 30, 2015 (continued)

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

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

As of June 30, 2015 and December 31, 2014, the sensitivity analysis of the Group’s pre-tax income against 10% change in USD and Euro (when other variables are held constant) are as follows:

	June 30, 2015			
	Gain/Loss		Equity	
	Foreign exchange appreciation	Foreign exchange depreciation	Foreign exchange appreciation	Foreign exchange depreciation
10% fluctuation of USD rate				
USD net asset/liability	(14.731)	14.731	(14.731)	14.731
Secured portion from USD risk	11.852	(11.852)	11.852	(11.852)
USD net effect	(2.879)	2.879	(2.879)	2.879
10% fluctuation of Euro rate				
Euro net asset/liability	2	(2)	2	(2)
Secured portion from Euro risk	-	-	-	-
Euro net effect	2	(2)	2	(2)
Total	(2.877)	2.877	(2.877)	2.877

	December 31, 2014			
	Income/Expense		Equity	
	Foreign exchange appreciation	Foreign exchange depreciation	Foreign exchange appreciation	Foreign exchange depreciation
10% fluctuation of USD rate				
USD net asset/liability	(9.603)	9.603	(9.603)	9.603
Secured portion from USD risk	8.283	(8.283)	8.283	(8.283)
USD net effect	(1.320)	1.320	(1.320)	1.320
10% fluctuation of Euro rate				
Euro net asset/liability	(33)	33	(33)	33
Secured portion from Euro risk	-	-	-	-
Euro net effect	(33)	33	(33)	33
Total	(1.353)	1.353	(1.353)	1.353

Aygaz Anonim Şirketi and Subsidiaries

Notes to the interim condensed consolidated financial statements

as of June 30, 2015 (continued)

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

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

Currency forward agreements

Currency forward agreements which are valid as of June 30, 2015 and December 31, 2014 are summarized at the table below.

Maturity	Parity	Type of contract	Transaction	Total amount	June 30, 2015
					Currency
1 to 3 months	2,6859-2,7457	Forward	Sells TL, buys USD	20.050	USD

Maturity	Parity	Type of contract	Transaction	Total amount	December 31, 2014
					Currency
1 to 3 months	2,3352-2,3518	Forward	Sells TL, buys USD	11.650	USD

Swap agreements

As of June 30, 2015 and December 31, 2014, the Group has swap agreements amounting to TL 50.635 thousand with fixed interest rate of 11,2% in return for USD 24.070 thousand with a floating interest rate of three-month USDLIBOR +1,8%. Swap transaction has quarterly interest payments and the maturity date of principal payment is on May 23, 2016.

Fair value of financial instruments

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

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

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

Financial assets / liabilities	Level of fair value as of reporting date			
	June 30, 2015	1st Level	2nd Level	3rd Level
Available-for-sale financial assets (*)	316.217	92	316.125	-
Derivative financial instruments	13.978	-	13.978	-

Financial assets / liabilities	Level of fair value as of reporting date			
	December 31, 2014	1st Level	2nd Level	3rd Level
Available-for-sale financial assets (*)	345.730	55	345.675	-
Derivative financial instruments	4.794	-	4.794	-

(*) The Group has available for sale financial assets, which are not quoted in stock markets, and total amount of these financial assets is TL 976 thousand as of June 30, 2015 (December 31, 2014 – TL 976 thousand). The fair value of these financial assets cannot be measured reliably and stated at cost in the accompanying interim consolidated financial statements.

20. Events after balance sheet date

None.