

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

## **Aygaz Anonim Őirketi and Subsidiaries**

**January 1 – June 30, 2010 interim condensed  
consolidated financial statements together with  
independent auditor's review report**

## **Aygaz Anonim Şirketi and Subsidiaries**

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

**Aygaz Anonim Şirketi and Subsidiaries**

**Condensed consolidated balance sheet as at June 30, 2010**

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

		Current period (Reviewed)	Prior period (Audited)
<b>Assets</b>	<b>Notes</b>	<b>June 30, 2010</b>	December 31, 2009
<b>Current assets</b>			
Cash and cash equivalents	5	246.162	407.893
Trade receivables		295.278	336.541
-Due from related parties	21	23.742	19.230
-Other trade receivables	8	271.536	317.311
Other receivables		2.298	6.323
Inventories	9	154.094	89.180
Other current assets	15	29.262	22.003
<b>Total current assets</b>		<b>727.094</b>	861.940
<b>Non-current assets</b>			
Trade receivables	8	895	799
Other receivables		36	3.240
Financial investments	6	261.179	196.924
Investments accounted under equity method	10	819.631	809.936
Property, plant and equipment	11	687.286	711.410
Intangible assets	12	4.550	3.957
Deferred tax asset	19	124	-
Other non-current assets	15	21.803	19.884
<b>Total non-current assets</b>		<b>1.795.504</b>	1.746.150
<b>Total assets</b>		<b>2.522.598</b>	2.608.090

The accompanying accounting policies and notes presented between pages 9 and 41 form an integral part of these consolidated financial statements.

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

## Aygaz Anonim Şirketi and Subsidiaries

### Condensed consolidated balance sheet as at June 30, 2010

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

		Current period (Reviewed)	Prior period (Audited)
		June 30, 2010	December 31, 2009
<b>Liabilities</b>	<b>Notes</b>		
<b>Short term liabilities</b>			
Financial borrowings	7	76.753	259.223
Trade payables		233.480	167.612
- Due to related parties	21	69.072	53.444
- Other trade payables	8	164.408	114.168
Other payables	14	766	3.816
Current tax liabilities	19	8.767	10.683
Provision for other liabilities		3.720	3.596
Other short term liabilities	15	151.159	113.718
<b>Total short term liabilities</b>		<b>474.645</b>	<b>558.648</b>
<b>Long term liabilities</b>			
Financial borrowings	7	122.321	176.230
Other long term payables	14	50.464	52.635
Provision for employment termination benefits		15.549	14.931
Deferred tax liabilities	19	48.046	48.359
<b>Total non current liabilities</b>		<b>236.380</b>	<b>292.155</b>
<b>Equity</b>			
Share capital	16	300.000	300.000
Inflation adjustment to share capital	16	71.504	71.504
Adjustment to share capital		(7.442)	(7.442)
Valuation fund on financial assets		161.251	99.491
Currency translation reserve		493	378
Restricted reserves		364.730	364.730
Risk hedge fund		(3.049)	(6.384)
Retained earnings		791.796	577.247
Net profit for the period		95.337	314.604
<b>Equity attributable to equity holders of the parent</b>		<b>1.774.620</b>	<b>1.714.128</b>
Non-controlling interest		36.953	43.159
<b>Total equity</b>		<b>1.811.573</b>	<b>1.757.287</b>
<b>Total liabilities and equity</b>		<b>2.522.598</b>	<b>2.608.090</b>

The accompanying accounting policies and notes presented between pages 9 and 41 form an integral part of these consolidated financial statements.

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

## Aygaz Anonim Şirketi and Subsidiaries

### Condensed consolidated income statement

for the six month interim period ended June 30, 2010

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

	Notes	Reviewed		Reviewed	
		January 1 - June 30, 2010	April 1 - June 30, 2010	January 1 - June 30, 2009	April 1 - June 30, 2009
<b>Continuing operations</b>					
Sales revenue (net)		2.127.210	1.069.917	1.694.582	845.690
Cost of sales (-)		(1.914.671)	(965.469)	(1.397.101)	(715.661)
<b>Gross profit</b>		<b>212.539</b>	<b>104.448</b>	297.481	130.029
Marketing, sales and distribution expenses (-)		(71.789)	(38.233)	(59.163)	(32.549)
General administrative expenses (-)		(48.372)	(23.971)	(44.443)	(21.217)
Research and development expenses (-)		(605)	(420)	(232)	(97)
Other operating income		13.945	5.603	12.290	4.656
Other operating expenses (-)		(4.479)	(1.758)	(4.386)	(4.290)
<b>Operating profit</b>		<b>101.239</b>	<b>45.669</b>	201.547	76.532
Profit from investments accounted under equity method	10	6.249	6.082	11.819	70.600
Finance income	17	19.508	7.911	16.705	3.917
Finance expense (-)	18	(10.708)	(5.588)	(43.844)	4.453
<b>Profit from continuing operations before taxation</b>		<b>116.288</b>	<b>54.074</b>	186.227	155.502
<b>Continuing operations tax income/(expense)</b>					
- Current tax expense for the period	19	(23.969)	(9.669)	(30.232)	(17.125)
- Deferred tax income / (expense)	19	3.687	1.756	(2.052)	898
<b>Continued operations profit</b>		<b>96.006</b>	<b>46.161</b>	153.943	139.275
<b>Discontinued operations</b>					
<b>Discontinued operations profit / (loss) after tax</b>		-	-	49	(13)
<b>Net profit for the period</b>		<b>96.006</b>	<b>46.161</b>	153.992	139.262
<b>Profit attributable to:</b>					
Minority interest		669	898	10.611	3.884
Parent company		95.337	45.263	143.381	135.378
		<b>96.006</b>	<b>46.161</b>	153.992	139.262
<b>Earnings per share</b>					
<b>Diluted earnings per share (TL)</b>	20	<b>0,317790</b>	<b>0,150876</b>	<b>0,477937</b>	<b>0,451260</b>
-From continuing operations (thousand ordinary shares)		0,317790	0,150876	0,477773	0,451303
-From discontinuing operations (thousand ordinary shares)		-	-	0,000163	(0,000043)

The accompanying accounting policies and notes presented between pages 9 and 41 form an integral part of these consolidated financial statements.

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

**Aygaz Anonim Şirketi and Subsidiaries**

**Condensed consolidated comprehensive income statement  
for the six month interim period ended June 30, 2010**

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

	Reviewed		Reviewed	
	January 1 - June 30, 2010	April 1 - June 30, 2010	January 1 - June 30, 2009	April 1 - June 30, 2009
<b>Profit for the period</b>	<b>96.006</b>	<b>46.161</b>	153.992	139.262
<b>Other comprehensive income / (loss):</b>				
Change in financial assets revaluation fund	61.760	61.760	15.733	8.222
Change in financial hedge fund	3.335	3.811	5.450	4.094
Change in currency translation reserve	115	82	(59)	(281)
<b>Other comprehensive income / (loss) (after tax)</b>	<b>65.210</b>	<b>65.653</b>	21.124	12.035
<b>Total comprehensive income</b>	<b>161.216</b>	<b>111.814</b>	175.116	151.297
<b>Attributable to:</b>				
Minority share	669	898	11.301	3.773
Parent company	160.547	110.916	163.815	147.524
	<b>161.216</b>	<b>111.814</b>	175.116	151.297

The accompanying accounting policies and notes presented between pages 9 and 41 form an integral part of these consolidated financial statements.

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

**Aygaz Anonim Şirketi and Subsidiaries**

**Consolidated statement of changes in equity**

**for the six month interim period ended June 30, 2010**

**(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)**

	Share capital	Adjustment to share capital	Valuation fund on financial assets	Inflation adjustment to share capital	Restricted reserves	Hedging reserve	Currency translation adjustment	Retained earnings	Net profit for the period	Equity attributable to equity holders of the parent	Non-controlling interest	Total equity
Balance as of January 1, 2009	300.000	(7.329)	80.648	71.504	360.035	(12.970)	774	581.673	25.765	1.400.100	73.594	1.473.694
Dividends paid	-	-	-	-	-	-	-	(30.000)	-	(30.000)	(316)	(30.316)
Change in scope of consolidation	-	-	-	-	-	-	-	-	-	-	493	493
Transfers to reserves	-	-	-	-	4.695	-	-	21.070	(25.765)	-	-	-
Comprehensive income / (loss) for the period	-	-	15.043	-	-	5.450	(59)	-	143.381	163.815	11.301	175.116
Balance as of June 30, 2009	300.000	(7.329)	95.691	71.504	364.730	(7.520)	715	572.743	143.381	1.533.915	85.072	1.618.987
Balance as of January 1, 2010	300.000	(7.442)	99.491	71.504	364.730	(6.384)	378	577.247	314.604	1.714.128	43.159	1.757.287
Transfers from retained earnings	-	-	-	-	-	-	-	314.604	(314.604)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(100.000)	-	(100.000)	(4.148)	(104.148)
Transfers with minority shares (note 3)	-	-	-	-	-	-	-	(1.567)	-	(1.567)	(3.837)	(5.404)
Subsidiary included to consolidation (note 1)	-	-	-	-	-	-	-	1.512	-	1.512	1.110	2.622
Comprehensive income for the period	-	-	61.760	-	-	3.335	115	-	95.337	160.547	669	161.216
Balance as of June 30, 2010	300.000	(7.442)	161.251	71.504	364.730	(3.049)	493	791.796	95.337	1.774.620	36.953	1.811.573

The accompanying accounting policies and notes presented between pages 9 and 41 form an integral part of these consolidated financial statements.

**Aygaz Anonim Şirketi and Subsidiaries****Consolidated cash flow statement  
for the six month interim period ended June 30, 2010  
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)**

		Reviewed	Reviewed
	Notes	January 1- June 30, 2010	January 1- June 30, 2009
<b>Cash flows from operating activities</b>			
Net income before tax		116.288	186.227
Adjustments to reconcile net income before tax to net cash provided by operating activities:			
Income from equity participations	10	(6.249)	(11.819)
Depreciation of property, plant and equipment	11	42.982	47.099
Amortisation of intangible assets	12	1.015	909
Minority interest correction		-	10.611
Other provisions		31.013	31.926
Negative goodwill income		-	(2.663)
Provision for impairment of financial assets	6	(25)	(15)
Provision for retirement pay		2.224	2.224
Profit on sale of tangible/intangible assets (net)		(760)	(384)
Allowance for doubtful receivables		279	751
Interest income		(9.271)	(16.708)
Interest expense		4.123	9.596
Other		2.335	(15.381)
<b>Operating cash flow before changes in working capital</b>		<b>183.954</b>	<b>242.373</b>
<b>Changes in working capital:</b>			
Trade receivables		63.266	(51.213)
Due from related parties		(6.443)	3.384
Inventories		(64.914)	(21.619)
Other receivables and current assets		(3.164)	4.863
Trade payables		39.025	(154.785)
Due to related parties		15.628	14.953
Other payables and liabilities		879	(27.602)
Other non current receivables and payables		(886)	21.583
<b>Net cash generated from operating activities</b>		<b>227.345</b>	<b>31.937</b>
Income taxes paid		(25.843)	(15.014)
Retirement pay paid		(1.614)	(1.461)
<b>Net cash generated from operations</b>		<b>199.888</b>	<b>15.462</b>
<b>Cash flows from investing activities</b>			
Interest received		9.271	16.708
Purchases for subsidiary shares		(5.300)	(14.224)
Effect of subsidiary to consolidation (disclosure 1)		989	-
Purchases for property, plant and equipment		(22.154)	(69.396)
Purchases for intangible assets		(1.498)	(301)
Proceeds of sale of tangible/intangible assets		1.722	2.086
<b>Net cash used in investing activities</b>		<b>(16.970)</b>	<b>(65.127)</b>
<b>Cash flows from financing activities</b>			
Changes in financial borrowings	7	(240.501)	(89.464)
Dividends paid		(104.148)	(30.316)
<b>Net cash used in financing activities</b>		<b>(344.649)</b>	<b>(119.780)</b>
Net decrease in cash and cash equivalents		(161.731)	(169.445)
Cash and cash equivalents at the beginning of the period	5	407.893	405.431
Cash and cash equivalents related to discontinued operations		-	(271)
Cash and cash equivalents at the end of the period	5	246.162	235.715

The accompanying accounting policies and notes presented between pages 9 and 41 form an integral part of these consolidated financial statements.



## **Aygaz Anonim Şirketi and Subsidiaries**

### **Notes to the condensed consolidated financial statements for the six month interim period ended June 30, 2010**

(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

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

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

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

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

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

Average number of personnel of Aygaz and its subsidiaries (“the Group”) for the interim period ended June 30, 2010 is 1.382 (December 31, 2009: 1.402).

#### **Subsidiaries**

Mogaz Petrol Gazları A.Ş. (“Mogaz”), a subsidiary of the Company, is a LPG distribution company. The Group has purchased 2,1% share of Mogaz in March 2010 by paying TL 5.300 thousand and raised Group’s effective control to 100%. According to the related purchase, Group’s effective control on partnerships and subsidiaries are changed as shown in the following table.

Entek Elektrik Üretimi A.Ş. (“Entek”) operates as electricity producer with its 3 facilities in Bursa, İzmit and İstanbul. In 2009, 15,51% of shares were purchased by the Group and this purchase raised Group’s effective control to 86,01%. In 2010, related to the purchase of Mogaz shares stated above, the Group’s effective control on Entek is raised to 86,09%.

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. Merged company name was Bursa Gaz ve Ticaret A.Ş, but 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.

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

## Aygaz Anonim Şirketi and Subsidiaries

### Notes to the condensed consolidated financial statements for the six month interim period ended June 30, 2010 (Continued) (Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

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

Eltek Elektrik Enerjisi İthalat İhracat ve Toptan Ticaret A.Ş. (“Eltek”), was established at the end of 2003 with 46% participation of Entek and mainly engaged in wholesale, purchase, export and import of electricity. The Group has 64,79% effective control over Eltek. As the transaction volume of Eltek has increased in the second quarter of 2010, the Group has included Eltek into consolidation, which was reflected at cost in prior periods, considering that the subsidiary will have a material effect on financial statements both quantitatively and qualitatively.

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

Subsidiaries	Place of incorporation and operation	Ownership interest (%)			Principal activity
		June 30, 2010	December 31, 2009	Voting power right	
Akpa	Turkey	99,99%	99,99%	99,99%	Marketing
Mogaz	Turkey	100%	97,90%	100%	LPG
Entek	Turkey	86,09%	86,01%	86,09%	Electricity
Eltek (*)	Turkey	64,79%	64,60%	64,79%	Electricity
Aygaz Doğal Gaz Toptan Satış A.Ş.	Turkey	99,00%	97,99%	99,00%	LNG
Aygaz Doğal Gaz İletim A.Ş.	Turkey	99,00%	97,99%	99,00%	LNG

(\*) Effective from 2010, Eltek has been included into consolidation.

#### 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.

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

Investments in associates	Place of incorporation and operation	Ownership interest (%)			Principal activity
		June 30, 2010	December 31, 2009	Voting power right	
Zinerji (*)	Turkey	56,00%	55,83%	56,00%	Energy
Enerji Yatırımları A.Ş.	Turkey	20,00%	20,00%	20,00%	Energy

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

#### Approval of financial statements:

The condensed consolidated financial statements for the six month interim period ended on June 30, 2010 are approved in the Board of Directors meeting held on August 20, 2010 to be published and are signed by Assistant General Manager (Finance) Gökhan Tezel and Subsidiaries and Accounting Director Nurettin Demirtaş.

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

## **Aygaz Anonim Şirketi and Subsidiaries**

### **Notes to the condensed consolidated financial statements for the six month interim period ended June 30, 2010 (Continued) (Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)**

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

The Group’s condensed consolidated financial statements for the six month interim period ended on June 30, 2010 are prepared in accordance with International Accounting Standards (“IAS”) 34 “Interim Financial Reporting Standards”.

Interim condensed consolidated financial statements do not include all of the disclosures required in year end financial statements and should be evaluated together with the Group’s financial statements as of December 31, 2009.

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

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

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

The condensed consolidated financial statements and disclosures have been prepared in accordance with the format that must be applied according to the communiqué numbered XI-29 announced by the CMB (hereinafter will be referred to as “the CMB Accounting Standards”) on April 9, 2008.

The consolidated financial statements are based on the statutory records, with adjustments and reclassifications for the purpose of fair presentation in accordance with the Accounting Standards of the CMB and are presented in TL. Such adjustments mainly comprise accounting for deferred taxation, accounting for the depreciation charge of property, plant and equipment according to lower of useful life and concession periods, effects of application for long-term employee benefits according to International Accounting Standards (“IAS”) 19, accounting for provisions and the effects of application of IFRS 3 “Business Combinations”.

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

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

The accounting policies adopted in the preparation of the interim condensed interim consolidated financial statements are consistent with those followed in the preparation of the financial statements of the prior year, and for the year ended December 31, 2009, except for the application of new and amended standards effective on after January 1, 2010.

As stated in note 1, as the transaction volume of Eltek has increased in the second quarter of 2010, the Group has included Eltek into consolidation, which was reflected at cost in prior periods, considering that the subsidiary will have a material effect on financial statements both quantitatively and qualitatively.

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

## **Aygaz Anonim Şirketi and Subsidiaries**

**Notes to the condensed consolidated financial statements  
for the six month interim period ended June 30, 2010 (Continued)**  
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

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

#### **Comparative informations and reclassifications on prior period financial statements**

In order to enable determination of financial status and performance trends, the Group’s condensed consolidated financial statements are prepared in comparison with prior period. In order to provide an accurate comparison with current period, comparative figures are reclassified when necessary and significant differences are explained. Necessary reclassifications have been made in consolidated income statements of June 30, 2009 and March 31, 2010.

- In the interim financial statements of year 2009, LPG sales to Tüpraş had been netted off between “sales revenue” and “cost of sales”. In current year, in order to reflect the economical substance, these sales are reflected in their gross amounts in the income statement. As a result of this change, there has been an increase amounting to TL 88.554 thousand in the “sales revenue” and “cost of sales” accounts for the period ended in June 30, 2009.
- To reflect expenses related to sea-transportation in “cost of sales” account, re-classifications have been made in the condensed consolidated income statement for the period ended in June 30, 2009.

#### *Application of new and amended standards and interpretations of International Financial Reporting Standards*

#### **New and amended standards and interpretations of IFRS that are effective for December 2010 year end:**

The amendments and standards that do not have an effect on Group’s financial position or performance are as follows;

Amendments to IFRS 2 ‘Group cash settled share based Payment Transactions’,

Amendments to IAS 39 Financial Instruments: Recognition and Measurement – ‘Eligible Hedged Items’,

IFRIC 17 ‘Distributions of Non-cash Assets to Owners’,

Improvements to International Financial Reporting Standards (issued in 2008),

Improvements to International Financial reporting Standards (issued in 2009).

#### **New and amended standards and interpretations issued that are effective subsequent to December 2010 year-ends: (These amendments have not yet been approved by European Union):**

IFRS 9 Financial Instruments (Effective for periods beginning on or after January 1, 2013), The Group is evaluating the effects of the new standard.

IAS 24 Related Party Disclosures (Revised) (Effective for periods beginning on or after January 1, 2011). The Group is evaluating the effects of the new standard.

IAS 32 Classification of Rights Issues (Amendment) (Effective for periods beginning on or after February 1, 2010), No effect on the Group’s financial statements is expected.

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

## **Aygaz Anonim Şirketi and Subsidiaries**

**Notes to the condensed consolidated financial statements  
for the six month interim period ended June 30, 2010 (Continued)  
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)**

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

IFRIC 14 Prepayments of a Minimum Funding Requirement (Amendment) (Effective for periods beginning on or after January 1, 2011, with earlier application permitted), No effect on the Group’s financial statements is expected.

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (Effective for periods beginning on or after July 1, 2010, with earlier application permitted). No effect on the Group’s financial statements is expected.

### **Improvements in IFRS (Published in May 2010)**

In May 2010, International Accounting Standards Board has published comments and changes related to standards.

**No effect on the Group’s financial statements are expected related with following improvements;**

IFRS 1: Accounting policy changes in the year of adoption

IFRS 1: Revaluation basis as deemed cost.

IFRS 1: Use of deemed cost for operations subject to rate regulation

IFRS 3: Transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised standard

IFRS 3: Measurement of non-controlling interests

IFRS 3: Un-replaced and voluntarily replaced share-based payment awards

IAS 1: Clarification of statement of changes in equity

IFRIC 13: Fair value of award credits

IAS 27: Transition requirements for amendments arising as a result of IAS 27 Consolidated and Separate Financial Statements

**The effects of following improvements on the Company’s financial statements is being evaluated;**

IFRS 7: Clarification of disclosures

IAS 34: Significant events and transactions

### **2.3 Seasonality of operations**

There is no effect of seasonality of operations on the Group’s condensed consolidated financial statements.

### **Additional paragraph for convenience translation to English**

Accounting principles and standards applied in the accompanying financial statements (CMB financial accounting standards) are based on IFRS issued by the International Accounting Standards Board except for the adoption of an earlier date for discontinuation of application of IAS 29 (Financial Reporting in Hyperinflationary Economies). As per CMB financial accounting standards application of inflation accounting was ceased effective as of January 1, 2005 whereas per IFRS it was ceased effective January 1, 2006

## Aygaz Anonim Şirketi and Subsidiaries

### Notes to the condensed consolidated financial statements for the six month interim period ended June 30, 2010 (Continued) (Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

#### 3. Business combinations

The Group has purchased 2,1% of shares of its subsidiary Mogaz from real person shareholders, in March 2010 by paying TL 5.300 thousand.

In 2009, the Group purchased 15,51% of shares of its subsidiary Entek by paying TL 38.030 thousand in cash.

These purchase of shares of Entek is evaluated as a transaction between the shareholders and purchase of shares of Mogaz is evaluated under IAS 27 “Consolidated and separate financial statements”. Consequently, when shares are purchased from non parent company, the difference between the purchase cost and net asset purchased are accounted as “the transactions with minority shares” under equity.

The Group has acquired 50% shares of Aygaz Doğal Gaz Toptan Satış A.Ş. and Aygaz Doğal Gaz İletim A.Ş., which are the joint ventures accounted with proportionate consolidation method with effective ownership of 47,99%, from Statoil Hydro ASA and paid TL 17.224 thousand for these shares on January 9, 2009. As a result of this acquisition, Aygaz Doğal Gaz Toptan Satış A.Ş. and Aygaz Doğal Gaz İletim A.Ş., which were consolidated according to proportionate consolidation method as of December 31, 2008, are accounted with purchase accounting method according to IFRS 3 “Business Combinations”. Fair value of purchased assets and liabilities taken over of Aygaz Doğal Gaz Toptan Satış A.Ş. and Aygaz Doğal Gaz İletim A.Ş. and their purchase value with purchase accounting method are shown below:

	January 9, 2009 Book value
Cash and cash equivalents	6.000
Trade receivables	9.399
Due from related parties	778
Inventories	437
Other current assets	1.717
Property, plant and equipment	30.411
Intangible assets	274
Trade payables	(6.496)
Due to related parties	(152)
Other payables	(243)
Deferred tax liabilities	(1.128)
Other liabilities	(1.223)
<b>Total net assets</b>	<b>39.774</b>
Percentage of the entity acquired	50%
Net assets acquired ( A )	19.887
Amount paid in cash ( B )	17.224
Cash and cash equivalents acquired ( C )	3.000
<b>Total net cash paid ( B-C )</b>	<b>14.224</b>
<b>Negative goodwill income ( A-B )</b>	<b>2.663</b>

Net assets and negative goodwill income, are accounted under ‘other operating income’ in Income Statement.

## Aygaz Anonim Şirketi and Subsidiaries

### Notes to the condensed consolidated financial statements for the six month interim period ended June 30, 2010 (Continued) (Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

#### 4. Segment reporting

The Group has started to apply IFRS 8 since January 1, 2009. The segmental operations are specified according to the internal reports reviewed regularly by the authority entitled to making decision for the Group’s operations.

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

- Gas and petroleum products
- Electricity
- Other

The Group also evaluated disclosure of geographical distribution of revenues for the period in addition to industrial segments. However, the Group concluded that there is no geographical reporting segments as each segment is operating in different geographical areas. The Group Management evaluates financial results and performance based of IFRS financial statements. Therefore, IFRS financial statements are the basis of segmental reporting.

June 30, 2010					
	Gas and petroleum products	Electricity (*)	Other	Consolidation adjustments	Total
<b>Assets</b>					
Current assets	521.495	152.498	78.447	(25.346)	727.094
Non-current assets	1.781.215	234.028	6.211	(225.950)	1.795.504
<b>Total assets</b>	<b>2.302.710</b>	<b>386.526</b>	<b>84.658</b>	<b>(251.296)</b>	<b>2.522.598</b>
<b>Liabilities</b>					
Short term liabilities	364.083	100.919	34.989	(25.346)	474.645
Long term liabilities	196.243	31.398	3.824	4.915	236.380
Equity	1.742.384	254.209	45.845	(230.865)	1.811.573
<b>Total liabilities and equity</b>	<b>2.302.710</b>	<b>386.526</b>	<b>84.658</b>	<b>(251.296)</b>	<b>2.522.598</b>

(\*) Effective from 2010, Eltek has been included into consolidation (note 1).

December 31, 2009					
	Gas and petroleum products	Electricity (*)	Other	Consolidation adjustments	Total
<b>Assets</b>					
Current assets	596.462	186.845	87.061	(8.428)	861.940
Non-current assets	1.770.964	247.441	5.933	(278.188)	1.746.150
<b>Total assets</b>	<b>2.367.426</b>	<b>434.286</b>	<b>92.994</b>	<b>(286.616)</b>	<b>2.608.090</b>
<b>Liabilities</b>					
Short term liabilities	469.387	80.947	16.742	(8.428)	558.648
Long term liabilities	209.782	73.684	3.453	5.236	292.155
Equity	1.688.257	279.655	72.799	(283.424)	1.757.287
<b>Total liabilities and equity</b>	<b>2.367.426</b>	<b>434.286</b>	<b>92.994</b>	<b>(286.616)</b>	<b>2.608.090</b>

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

## Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements  
for the six month interim period ended June 30, 2010 (Continued)**  
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

### 4. Segment reporting (continued)

	January 1 - June 30, 2010				
	Gas and petroleum products	Electricity (*)	Other	Consolidation adjustments	Total
<b>Operating income</b>					
Sales revenue (net)	1.898.856	171.005	118.272	(60.923)	2.127.210
Cost of sales (-)	(1.699.887)	(170.250)	(108.776)	64.242	(1.914.671)
<b>Gross profit / (loss)</b>	<b>198.969</b>	<b>755</b>	<b>9.496</b>	<b>3.319</b>	<b>212.539</b>
Marketing, sales and distribution expenses (-)	(68.954)	-	(2.552)	(283)	(71.789)
General administrative expenses (-)	(39.191)	(5.340)	(3.936)	95	(48.372)
Research and development expenses (-)	(605)	-	-	-	(605)
Other operational income	9.165	3.198	1.305	277	13.945
Other operational expenses (-)	(3.612)	(805)	(62)	-	(4.479)
<b>Operating profit / (loss)</b>	<b>95.772</b>	<b>(2.192)</b>	<b>4.251</b>	<b>3.408</b>	<b>101.239</b>
Profit / (loss) from investments accounted under equity method	-	-	-	6.249	6.249
Finance income	115.147	4.083	1.571	(101.293)	19.508
Finance expense (-)	(8.671)	(1.563)	(474)	-	(10.708)
<b>Profit / (loss) from continuing operations before taxation</b>	<b>202.248</b>	<b>328</b>	<b>5.348</b>	<b>(91.636)</b>	<b>116.288</b>
Current tax expense for the period	(22.185)	(634)	(1.150)	-	(23.969)
Deferred tax income / (expense)	2.513	1.131	43	-	3.687
<b>Profit / (loss) from continuing operations for the period</b>	<b>182.576</b>	<b>825</b>	<b>4.241</b>	<b>(91.636)</b>	<b>96.006</b>
<b>Net profit / (loss) for the period</b>	<b>182.576</b>	<b>825</b>	<b>4.241</b>	<b>(91.636)</b>	<b>96.006</b>
<b>Attributable to:</b>					
Minority interest	18	651	-	-	669
Parent company	182.558	174	4.241	(91.636)	95.337

(\*) Effective from 2010, Eltek has been included into consolidation (note 1).



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

## Aygaz Anonim Şirketi and Subsidiaries

### Notes to the condensed consolidated financial statements for the six month interim period ended June 30, 2010 (Continued) (Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

#### 4. Segment reporting (continued)

	January 1 – June 30, 2009				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Operating income					
Sales revenue (net)	1.448.535	205.636	96.606	(56.195)	1.694.582
Cost of sales (-)	(1.199.937)	(166.585)	(85.860)	55.281	(1.397.101)
<b>Gross profit / (loss)</b>	<b>248.598</b>	<b>39.051</b>	<b>10.746</b>	<b>(914)</b>	<b>297.481</b>
Marketing, sales and distribution expenses (-)	(56.860)	-	(2.303)	-	(59.163)
General administrative expenses (-)	(36.139)	(5.725)	(3.311)	732	(44.443)
Research and development expenses (-)	(232)	-	-	-	(232)
Other operational income	21.392	-	784	(9.886)	12.290
Other operational expenses (-)	(15.822)	(18)	(394)	11.848	(4.386)
<b>Operating profit / (loss)</b>	<b>160.937</b>	<b>33.308</b>	<b>5.522</b>	<b>1.780</b>	<b>201.547</b>
Profit / (loss) from investments accounted under equity method	-	-	-	11.819	11.819
Finance income	28.200	9.481	1.964	(22.940)	16.705
Finance expense (-)	(41.270)	(1.724)	(929)	79	(43.844)
<b>Profit / (loss) from continuing operations before taxation</b>	<b>147.867</b>	<b>41.065</b>	<b>6.557</b>	<b>(9.262)</b>	<b>186.227</b>
Current tax expense for the period	(23.525)	(5.409)	(1.298)	-	(30.232)
Deferred tax income / (expense)	(1.174)	(886)	8	-	(2.052)
<b>Profit / (loss) from continuing operations for the period</b>	<b>123.168</b>	<b>34.770</b>	<b>5.267</b>	<b>(9.262)</b>	<b>153.943</b>
Income from discontinued operations	49	-	-	-	49
<b>Net profit / (loss) for the period</b>	<b>123.217</b>	<b>34.770</b>	<b>5.267</b>	<b>(9.262)</b>	<b>153.992</b>
Attributable to:					
Minority interest	354	10.256	1	-	10.611
Parent company	122.863	24.514	5.266	(9.262)	143.381

The amortization and depreciation expense for the industrial segmental assets for the period ended on June 30, 2010 and 2009 are as follows:

	January 1 - June 30, 2010	January 1 - June 30, 2009
Gas and petroleum products	<b>33.700</b>	34.477
Electricity	<b>10.085</b>	13.321
Other	<b>212</b>	210
	<b>43.997</b>	48.008

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

## Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements  
for the six month interim period ended June 30, 2010 (Continued)**  
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

### 4. Segment reporting (continued)

The investment expenditures for the industrial segmental assets for the periods ended on June 30, 2010 and 2009 are as follows:

	<b>January 1 - June 30, 2010</b>	January 1 - June 30, 2009
Gas and petroleum products	<b>23.333</b>	28.695
Electricity	<b>245</b>	40.802
Other	<b>74</b>	200
	<b>23.652</b>	69.697

### 5. Cash and cash equivalents

	<b>June 30, 2010</b>	December 31, 2009
Cash on hand	<b>147</b>	167
Cash at banks	<b>242.205</b>	403.135
- Demand deposits	<b>16.691</b>	19.918
- Time deposits	<b>225.514</b>	383.217
Receivables from credit card transactions	<b>3.810</b>	4.591
	<b>246.162</b>	407.893

As of June 30, 2010 the Group's TL time deposits amounting to TL 114.550 thousand have maturities of 1 – 21 days and interest rates of 6,35 – 10,30%; USD time deposits amounting to USD 46.710 thousand (TL 73.554 thousand) have maturities of 2 - 33 days and interest rates of 0,5 – 4,45%; Euro time deposits amounting to Euro 19.141 thousand (TL 36.784 thousand) have maturities of 2 - 19 days and interest rates of 0,4 – 3,2%. (December 31, 2009 - the Group's TL time deposits amounting to TL 200.239 thousand have maturities of 4 - 38 days and interest rates of 5 - 10,6%; USD time deposits amounting to 121.058 thousand (TL 182.277 thousand) with maturities of 8 - 48 days and interest rates of 0,6 - 3,3%; Euro time deposits amounting to Euro 215 thousand (TL 464 thousand) have a maturity of 8 days and interest rates of 0,6 - 0,75%.).

**Aygaz Anonim Şirketi and Subsidiaries****Notes to the condensed consolidated financial statements  
for the six month interim period ended June 30, 2010 (Continued)  
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)****6. Financial assets**

The long term financial assets identified as financial assets held for sale by the Group are as follows as of June 30, 2010 and December 31, 2009:

	June 30, 2010		December 31, 2009	
	Participation amount	Participation rate %	Participation amount	Participation rate %
Koç Finansal Hizmetler A.Ş. (*)	260.040	1,97	195.030	1,97
Ram Dış Ticaret A.Ş. (**)	1.740	2,50	1.740	2,50
Tanı Pazarlama ve İletişim Hizmetleri A.Ş.(****)	540	10,00	540	10,00
Tat Konserve Sanayi A.Ş. (**)	236	0,08	236	0,08
Eltek Elektrik Top. Tic. A.Ş. (***)	-	-	781	64,60
Other (****)	23	-	23	-
Impairment reserve (-)	(1.400)	-	(1.426)	-
	<b>261.179</b>		<b>196.924</b>	

- (\*) Stated at fair value, the difference between the acquisition cost and fair value are accounted as valuation fund under equity.
- (\*\*) Stated at fair value, impairments are accounted as “Impairment reserve” under financial assets and impairment loss is recognised.
- (\*\*\*) Effective from 2010, Eltek has been included into consolidation (note 1).
- (\*\*\*\*) Stated at cost, because fair value could not be determined reliably.

**7. Financial borrowings****a) Short term bank borrowings**

	June 30, 2010	Interest rate (%)	December 31, 2009	Interest rate (%)
Short term borrowings (TL)	24.591	-	123.007	0 - 7,25
Short term borrowings (USD)	-	-	121.163	Libor + 2,50 - 2,82
Short term portions of long term borrowings	52.162	-	15.053	-
	<b>76.753</b>		<b>259.223</b>	

**b) Long term bank borrowings**

	June 30, 2010			December 31, 2009		
	Foreign currency amount	TL amount	Interest rate (%)	Foreign currency amount	TL amount	Interest rate (%)
Long term borrowings (*)						
Borrowings with Euro guarantees	53.000	102.522	Euribor + 2,75 Libor + 1,4 –	53.000	115.764	Euribor + 4,49 Libor + 1,4 –
Borrowings with USD guarantees	45.698	71.961	Libor+ 4,2	50.156	75.519	Libor+ 4,2
Less, short term portions		(52.162)			(15.053)	
<b>Total long term borrowings</b>		<b>122.321</b>			<b>176.230</b>	

- (\*) TL amounts also include interest accruals.

## Aygaz Anonim Şirketi and Subsidiaries

### Notes to the condensed consolidated financial statements for the six month interim period ended June 30, 2010 (Continued) (Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

#### 7. Financial borrowings (continued)

As of June 30, 2010 and December 31, 2009 repayment plan of the Group’s long term borrowings is as follows:

	<b>June 30, 2010</b>	December 31, 2009
2011	-	42.160
2012	<b>122.321</b>	134.070
	<b>122.321</b>	176.230

In the Board of Directors Meeting as of January 14, 2010, the Group management decided to close the existing long term loan and obtained a new loan amounting to Euro 53.000 thousand, which was obtained with the title of sub-debtor under the scope of credit agreement that was declared by Koç Holding A.Ş. via public disclosure notice dated December 23, 2009.

Under the scope of the general conditions of new loan agreement, the principle payment will be performed at the end of the period and the terms that will be valid are as follows: 27-month maturity, quarterly interest payment and EURIBOR+2,75 % the annual interest rate excluding the transaction costs.

#### 8. Trade receivables and payables

The Group’s trade receivables as June 30, 2010 and December 31, 2009 are as follows:

	<b>June 30, 2010</b>	December 31, 2009
Current trade receivables		
Trade receivables	<b>236.200</b>	278.182
Notes receivables	<b>48.746</b>	53.622
Allowance for doubtful receivables (-)	<b>(13.410)</b>	(14.493)
	<b>271.536</b>	317.311

	<b>June 30, 2010</b>	December 31, 2009
Non-current trade receivables		
Notes receivables	<b>895</b>	799

The Group’s trade payables as June 30, 2010 and December 31, 2009 are as follows:

	<b>June 30, 2010</b>	December 31, 2009
Short term trade payables		
Trade payables	<b>164.315</b>	114.037
Other trade payables	<b>93</b>	131
	<b>164.408</b>	114.168

**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to the condensed consolidated financial statements  
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(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)**

**9. Inventories**

	<b>June 30, 2010</b>	December 31, 2009
Raw materials	<b>112.337</b>	69.545
Goods in transit	<b>18.170</b>	-
Trade goods	<b>12.695</b>	9.759
Finished goods	<b>2.680</b>	1.005
Work in process	<b>506</b>	506
Allowance for impairment on inventory	<b>(349)</b>	(352)
Other inventory	<b>8.055</b>	8.717
	<b>154.094</b>	89.180

As of June 30, 2010, the inventories comprise of 59.517 tons of LPG. (December 31, 2009: 24.258 tons)

<b>Movement of allowance for impairment on inventory</b>	<b>January 1 – June 30, 2010</b>	January 1 – June 30, 2009
Opening balance	<b>(352)</b>	-
Charge for the year	<b>-</b>	-
Allowance related to sales	<b>3</b>	-
Closing balance	<b>(349)</b>	-

**10. Equity investments**

	<b>June 30, 2010</b>		December 31, 2009	
	<b>Participation amount</b>	<b>Participation rate %</b>	Participation amount	Participation rate %
Enerji Yatırımları A.Ş. acquisition value	<b>669.400</b>		669.400	
Adjustment to share capital	<b>(7.442)</b>		(7.442)	
Currency translation reserve	<b>493</b>		378	
Legal reserves	<b>3.195</b>		2.254	
Hedging reserve	<b>(3.049)</b>		(6.384)	
The share of the Group in the profit after the acquisition date	<b>156.676</b>		151.368	
	<b>819.273</b>	<b>20,00%</b>	809.574	20,00%
Zinerji Enerji Sanayi ve Tic. A.Ş. Impairment reserve (-)	<b>738</b> <b>(380)</b>		738 (376)	
	<b>358</b>	<b>56,00%</b>	362	55,83%
<b>Total</b>	<b>819.631</b>		809.936	

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

## Aygaz Anonim Şirketi and Subsidiaries

### Notes to the condensed consolidated financial statements for the six month interim period ended June 30, 2010 (Continued) (Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

#### 11. Property, plant and equipment

Acquisition cost	Land	Land Improvements	Buildings	Plant, machinery, equipment and LPG cylinders	Vehicles and vessels	Furnitures and fixtures	Leasehold improvements	Construction in progress	Total
Opening balance as of January 1, 2010	29.635	100.573	72.626	1.805.960	157.363	46.856	23.001	6.741	2.242.755
Additions	-	9	32	10.069	443	920	206	10.475	22.154
Transfers	-	48	(48)	(2.161)	7.748	153	-	(5.740)	-
Disposals	-	(167)	-	(13.195)	(735)	(1.878)	-	(2.334)	(18.309)
<b>Ending balance as of June 30, 2010</b>	<b>29.635</b>	<b>100.463</b>	<b>72.610</b>	<b>1.800.673</b>	<b>164.819</b>	<b>46.051</b>	<b>23.207</b>	<b>9.142</b>	<b>2.246.600</b>
<b>Accumulated depreciation</b>									
Opening balance as of January 1, 2010	-	40.953	41.260	1.262.775	128.506	37.361	20.490	-	1.531.345
Charge of the period	-	1.757	1.040	35.861	1.923	1.580	821	-	42.982
Transfers	-	1	(1)	(5.117)	5.117	-	-	-	-
Disposals	-	(110)	-	(12.831)	(479)	(1.593)	-	-	(15.013)
<b>Ending balance as of June 30, 2010</b>	<b>-</b>	<b>42.601</b>	<b>42.299</b>	<b>1.280.688</b>	<b>135.067</b>	<b>37.348</b>	<b>21.311</b>	<b>-</b>	<b>1.559.314</b>
<b>Net book value as of June 30, 2010</b>	<b>29.635</b>	<b>57.862</b>	<b>30.311</b>	<b>519.985</b>	<b>29.752</b>	<b>8.703</b>	<b>1.896</b>	<b>9.142</b>	<b>687.286</b>
<b>Acquisition cost</b>									
Opening balance as of January 1, 2009	29.267	95.616	71.762	1.737.733	171.104	45.212	23.135	11.347	2.185.176
Business combinations (disclosure 3)	-	616	48	14.056	3.161	287	576	116	18.860
Additions	41	4	65	16.311	125	762	1	52.087	69.396
Transfers	-	-	-	4.741	-	-	-	(4.749)	(8)
Disposals	-	-	-	(14.619)	(18.997)	(472)	(449)	-	(34.537)
<b>Ending balance as of June 30, 2009</b>	<b>29.308</b>	<b>96.236</b>	<b>71.875</b>	<b>1.758.222</b>	<b>155.393</b>	<b>45.789</b>	<b>23.263</b>	<b>58.801</b>	<b>2.238.887</b>
<b>Accumulated depreciation</b>									
Opening balance as of January 1, 2009	-	37.249	39.083	1.240.955	142.006	34.572	19.309	-	1.513.174
Business combinations (disclosure 3)	-	70	8	1.422	1.633	84	134	-	3.351
Charge of the period	-	1.994	1.082	39.316	2.121	1.719	867	-	47.099
Transfers	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(13.167)	(18.792)	(432)	(445)	-	(32.836)
<b>Ending balance as of June 30, 2009</b>	<b>-</b>	<b>39.313</b>	<b>40.173</b>	<b>1.268.526</b>	<b>126.968</b>	<b>35.943</b>	<b>19.865</b>	<b>-</b>	<b>1.530.788</b>
<b>Net book value as of June 30, 2009</b>	<b>29.308</b>	<b>56.923</b>	<b>31.702</b>	<b>489.696</b>	<b>28.425</b>	<b>9.846</b>	<b>3.398</b>	<b>58.801</b>	<b>708.099</b>

**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to the condensed consolidated financial statements  
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**12. Intangible assets**

	<b>Rights</b>	<b>Other intangible fixed assets</b>	<b>Total</b>
<b>Acquisition costs</b>			
Opening balance as of January 1, 2010	15.306	642	15.948
Additions	1.488	10	1.498
Additions related to subsidiary included into consolidation (note 1)	313	1	314
<b>Ending balance as of June 30, 2010</b>	<b>17.107</b>	<b>653</b>	<b>17.760</b>
<b>Accumulated depreciation</b>			
Opening balance as of January 1, 2010	11.518	473	11.991
Charge for the period	988	27	1.015
Additions related to subsidiary included into consolidation (note 1)	203	1	204
<b>Ending balance as of June 30, 2010</b>	<b>12.709</b>	<b>501</b>	<b>13.210</b>
<b>Carrying value as of June 30, 2010</b>	<b>4.398</b>	<b>152</b>	<b>4.550</b>
<hr/>			
	<b>Rights</b>	<b>Other intangible fixed assets</b>	<b>Total</b>
<b>Acquisition costs</b>			
Opening balance as of January 1, 2009	13.289	605	13.894
Additions	295	6	301
Business combinations	237	-	237
Transfers	9	-	9
<b>Ending balance as of June 30, 2009</b>	<b>13.830</b>	<b>611</b>	<b>14.441</b>
<b>Accumulated depreciation</b>			
Opening balance as of January 1, 2009	9.655	422	10.077
Charge for the period	885	24	909
Business combinations	97	-	97
<b>Ending balance as of June 30, 2009</b>	<b>10.637</b>	<b>446</b>	<b>11.083</b>
<b>Carrying value as of June 30, 2009</b>	<b>3.193</b>	<b>165</b>	<b>3.358</b>

**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to the condensed consolidated financial statements  
for the six month interim period ended June 30, 2010 (Continued)  
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)**

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

<b>Guarantees given</b>	<b>June 30, 2010</b>	<b>December 31, 2009</b>
Letter of guarantees given to customs for gas import	<b>30.856</b>	21.603
Other letter of guarantees given	<b>21.443</b>	18.527
	<b>52.299</b>	40.130

**The liability for environmental pollution:**

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

**National inventory reserve liability:**

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

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

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

The Company’s guarantee, pledge and mortgage (GPM) position as at June 30, 2010 and December 31, 2009 is as follows:

<b>GPMs given by the Company</b>	<b>June 30, 2010</b>	<b>December 31, 2009</b>
A. GPMs given on behalf of the Company’s legal personality	<b>52.299</b>	40.130
B. GPMs given in favor of subsidiaries included in full consolidation	-	-
C. GPMs given by the Company for the liabilities of 3 <sup>rd</sup> parties in order to run ordinary course of business	-	-
- GPMs given in favor of parent company	-	-
- GPMs given in favor of companies not in the scope of B and C above	-	-
- GPMs given in favor of third party companies not in the scope of C above	-	-
D. Other GPMs	-	-
	<b>52.299</b>	40.130



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

## Aygaz Anonim Şirketi and Subsidiaries

Notes to the condensed consolidated financial statements  
for the six month interim period ended June 30, 2010 (Continued)  
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

### 14. Other liabilities

<b>Other payables</b>	<b>June 30, 2010</b>	<b>December 31, 2009</b>
Due to personnel	499	3.608
Other payables	267	208
	<b>766</b>	<b>3.816</b>

<b>Other long term payables</b>	<b>June 30, 2010</b>	<b>December 31, 2009</b>
Cylinder deposits received	50.464	52.635

### 15. Other short/long-term assets and liabilities

<b>Other current assets</b>	<b>June 30, 2010</b>	<b>December 31, 2009</b>
Prepaid expenses	19.896	11.515
Advances given for inventories	5.224	4.201
Prepaid tax	2.198	4.550
Income accruals	452	314
VAT deductible	119	385
VAT carried forward	13	952
Other current assets	1.360	86
	<b>29.262</b>	<b>22.003</b>

<b>Other non current assets</b>	<b>June 30, 2010</b>	<b>December 31, 2009</b>
Prepaid expenses	21.203	19.884
Advances given for property, plant and equipment purchases	600	-
	<b>21.803</b>	<b>19.884</b>

<b>Other short term liabilities</b>	<b>June 30, 2010</b>	<b>December 31, 2009</b>
Taxes and funds payable	96.174	96.720
Expense accruals	44.742	13.701
Advances received	5.704	744
Social security premiums payable	2.197	1.827
Unearned revenue	775	169
Other liabilities	1.567	557
	<b>151.159</b>	<b>113.718</b>

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

## Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements  
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(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

### 16. Share capital

As of June 30, 2010 and December 31, 2009 the share capital held is as follows:

Shareholders	Participation rate	June 30, 2010	Participation rate	December 31, 2009
Koç Holding A.Ş.	40,68%	122.054	40,68%	122.054
Temel Ticaret ve Yatırım A.Ş.	5,29%	15.884	5,29%	15.884
Koç Family	5,24%	15.705	5,24%	15.705
Liquid Petroleum Dev. Co.	24,52%	73.546	24,52%	73.546
Other	24,27%	72.811	24,27%	72.811
<b>Nominal capital</b>	<b>100,00%</b>	<b>300.000</b>	<b>100,00%</b>	<b>300.000</b>
Inflation adjustment		71.504		71.504
<b>Adjusted capital</b>		<b>371.504</b>		<b>371.504</b>

In the Ordinary General Meeting held on April 7, 2010, the Company has decided to reserve TL 8.500 thousand as legal reserves and distribute totally TL 100.000 thousand as gross dividends from the net distributable income of 2009. According to this decision, the Company has began dividend payments in April 14, 2010.

### 17. Financial income

Financial income for the period ended June 30, 2010 and 2009 are as follows:

	January 1 June 30, 2010	April 1 - June 30, 2010	January 1 June 30, 2009	April 1 June 30, 2009
Interest income	9.561	3.668	5.685	2.434
Foreign exchange translation gain (*)	5.087	1.983	-	-
Income generated from maturity differences of sales made on credit	4.860	2.260	11.020	1.483
	<b>19.508</b>	<b>7.911</b>	<b>16.705</b>	<b>3.917</b>

(\*) Foreign exchange translation gain / loss is shown net.

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

## Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements  
for the six month interim period ended June 30, 2010 (Continued)**  
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

### 18. Financial expense

Financial expense for the periods ended June 30, 2010 and 2009 are as follows:

	January 1 - June 30, 2010	April 1 - June 30, 2010	January 1 - June 30, 2009	April 1 - June 30, 2009
Expenses generated from maturity differences of credit purchases	(4.082)	(2.558)	(2.409)	1.131
Interest expenses	(3.999)	(1.504)	(9.596)	(5.006)
Credit commission expense	(2.431)	(1.341)	(2.304)	(494)
Foreign exchange translation loss (*)	-	-	(29.172)	9.002
Other financial expenses	(196)	(185)	(363)	(180)
	<b>(10.708)</b>	<b>(5.588)</b>	<b>(43.844)</b>	<b>4.453</b>

(\*) Foreign exchange translation gain / loss is shown net.

### 19. Tax assets and liabilities

	June 30, 2010	December 31, 2009
<b>Current tax liability;</b>		
Current corporate tax provision	23.969	50.539
Less: Prepaid taxes and funds	(15.202)	(39.856)
	<b>8.767</b>	<b>10.683</b>

	January 1- June 30, 2010	January 1- June 30, 2009
<b>Tax expense in income statement</b>		
<b>Current tax liability;</b>		
Current corporate tax provision	(23.969)	(30.232)
Deferred tax (expense) / income	3.687	(2.052)
	<b>(20.282)</b>	<b>(32.284)</b>

#### Corporate tax

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

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

The effective rate of tax in 2010 is 20% (2009: 20%).

## **Aygaz Anonim Şirketi and Subsidiaries**

### **Notes to the condensed consolidated financial statements for the six month interim period ended June 30, 2010 (Continued) (Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)**

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

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate in 2010 is 20% (2009: 20%). Losses are allowed to be carried 5 years maximum to be deducted from the taxable profit of the following years. Tax carry back is not allowed.

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

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

#### **Income withholding tax**

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

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

#### **Investment incentives certificates**

Investment incentive certificates are revoked commencing from January 1 2006. If companies cannot use investment incentive due to inadequate profit, such outstanding investment incentive can be carried forward to following years so as to be deducted from taxable income of subsequent profitable years. However the companies can deduct the carried forward outstanding allowance from 2006, 2007 and 2008 taxable income. The investment incentive amount that cannot be deducted from 2008 taxable income will not be carried forward to following years.

Upon the resolution made by the Constitutional Court on October 15, 2009, the legal arrangement, which proposes to eliminate the vested rights was revoked on the basis of being contradictory to the constitution. Deadline of the investment incentive period is, thereby, ceased as of the reporting date. The related resolution was published in the Official Gazette on January 8, 2010.

Entek Elektrik Üretimi A.Ş., Group's subsidiary has investment incentives with withholding tax amounting to TL 183.959 thousand and investment incentives without withholding tax amounting to TL 32.080 thousand. Upon the resolution made by the Constitutional Court on October 15, 2009, which proposes to eliminate the vested rights was revoked on the basis of being contradictory to the constitution, deferred tax assets are recognized as 20% of investment incentives without withholding tax and 0,2% of investment incentives with withholding tax. When the investment incentives with withholding tax is expected to be utilized after utilization of current deferred tax assets and liabilities, tax rate of 20% is applied for all other deferred tax assets and liabilities.

**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to the condensed consolidated financial statements  
for the six month interim period ended June 30, 2010 (Continued)  
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**19. Tax assets and liabilities (continued)**

**Deferred tax assets and liabilities**

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between the financial statements as reported for IFRS purposes and financial statements prepared in accordance with the tax legislation. These differences arise from the differences in accounting periods for the recognition of income and expenses in accordance with IFRS and tax legislation. The rate applied in the calculation of deferred tax assets and liabilities is 20% for 2010 (2009: 20%).

	<b>June 30, 2010</b>	December 31, 2009
<b>Deferred tax (assets) / liabilities :</b>		
Restatement and depreciation / amortization differences of property, plant and equipment and other intangible assets	<b>50.533</b>	52.139
Revaluation fund on financial assets	<b>8.486</b>	5.236
Valuation of inventories	<b>91</b>	951
Effective interest method adjustment	<b>(75)</b>	218
Cumulative losses carried	<b>(201)</b>	-
Provision for employee termination benefits	<b>(3.108)</b>	(2.986)
Investment allowance	<b>(6.784)</b>	(6.473)
Other	<b>(1.020)</b>	(726)
	<b>47.922</b>	48.359

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

	June 30, 2010			December 31, 2009		
	Deferred tax		Net	Deferred tax		
	Assets	Liabilities		Assets	Liabilities	Net
Aygaz A.Ş.	(3.424)	34.398	30.974	(3.357)	32.820	29.463
Mogaz Petrol Gazları A.Ş.	(308)	5.433	5.125	(262)	6.170	5.908
Akpa A.Ş.	(234)	134	(100)	(109)	53	(56)
Entek Elektrik Üretim A.Ş.	(8.034)	18.738	10.704	(7.207)	19.016	11.809
Aygaz Doğalgaz A.Ş.	(33)	1.276	1.243	-	1.235	1.235
Etektek Elektrik A.Ş.	(34)	10	(24)	-	-	-
	<b>(12.067)</b>	<b>59.989</b>	<b>47.922</b>	<b>(10.935)</b>	<b>59.294</b>	<b>48.359</b>

Movement of deferred tax from continuing operations is as follows:

	<b>January 1- June 30, 2010</b>	January 1- June 30, 2009
<b>Movement of deferred tax (asset) / liability:</b>		
<b>Opening balance as of January 1</b>	<b>48.359</b>	49.689
Deferred tax expense / (income)	<b>(3.687)</b>	2.052
Deferred tax associated with financial asset revaluation fund	<b>3.250</b>	828
Business combinations	-	575
<b>Closing balance as of June 30</b>	<b>47.922</b>	53.144

**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to the condensed consolidated financial statements  
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(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)**

**20. Earnings per share**

Earnings per share for each class of share disclosed in the consolidated income statements is determined by dividing the net income attributable to that class of share by the weighted average number of shares of that class that have been outstanding during the year.

The companies can increase their share capital by making a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings and revaluation surplus calculated. In earnings per share calculation, this bonus share issuance is accepted as shares issued. Hence, weighted average stock share, which is used in the calculation of earning per share, is acquired by retrospective application of bonus share issue.

Earning per share in terms of share groups is as follows:

	<b>January 1 – June 30, 2010</b>	<b>April 1 – June 30, 2010</b>	January 1 – June 30, 2009	April 1 – June 30, 2009
Average number of shares throughout the period (thousand)	<b>300.000.000</b>	<b>300.000.000</b>	300.000.000	300.000.000
Net income for the period belonging to main shareholders	<b>95.337</b>	<b>45.263</b>	143.381	135.378
Less: Net income/(loss) for the year from discontinued operations	-	-	49	(13)
Net income from continuing operations for calculation of dividends per share	<b>95.337</b>	<b>45.263</b>	143.332	135.391
Dividend per thousand shares from continuing and discontinued operations	<b>0,317790</b>	<b>0,150876</b>	0,477937	0,451260
Net income per share from continuing operations				
- Thousand ordinary shares (TL)	<b>0,317790</b>	<b>0,150876</b>	0,477773	0,451303
Net income per share from discontinued operations				
- Thousand ordinary shares (TL)	-	-	0,000163	(0,000043)

**Aygaz Anonim Şirketi and Subsidiaries****Notes to the condensed consolidated financial statements  
for the six month interim period ended June 30, 2010 (Continued)  
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)****21. Transactions with related parties**

Balances with related parties	June 30,2010			
	Receivables		Payables	
	Trade	Non-trade	Trade	Non-trade
<b>Group companies (**)</b>				
Türkiye Petrol Rafinerileri A.Ş.	11.963	-	16.535	-
Ford Otomotiv Sanayi A.Ş.	4.681	-	-	-
Türk Traktör ve Ziraat Makinaları A.Ş.	731	-	-	-
Arçelik A.Ş.	710	-	25.175	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	666	-	284	-
Demir Export A.Ş.	637	-	-	-
Tofaş Türk Otomobil Fabrikası A.Ş.	486	-	-	-
Tat Konserve Sanayi A.Ş.	429	-	6	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	422	-	2.867	-
Vehbi Koç Vakfı Amerikan Hastanesi	327	-	-	-
Vehbi Koç Vakfı Koç Üniversitesi	308	-	-	-
Otokar Otobüs Karoseri Sanayi A.Ş.	302	-	16	-
Palmira Turizm Ticaret A.Ş.	232	-	-	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	148	-	752	-
Opet Petrolcülük A.Ş.	93	-	12.694	-
Harranova Besi ve Tarım Ürünleri A.Ş.	89	-	-	-
Otokoç Otomotiv Tic. ve San. A.Ş.	87	-	305	-
R.M.K ve Mahdumları Mad. İnş.Tur.Yat. ve Tic. A.Ş.	87	-	-	-
Marmaris Altinyunus Turistik Tesisleri A.Ş.	67	-	-	-
Kanel Kangal Elektrik A.Ş.	64	-	-	-
Yapı Kredi Kültür Sanat Yayıncılık Tic.ve San. A.Ş.	38	-	-	-
Altinyunus Çeşme Turistik Tesisler. A.Ş.	19	-	-	-
Beldesana Otomotiv Yan Sanayii ve Tic. A.Ş.	5	-	-	-
Vehbi Koç Vakfı	5	-	-	-
Arçelik LG Klima San. ve Tic. A.Ş.	3	-	39	-
Setur Servis Turistik A.Ş.	2	-	119	-
Küsel Ltd.Şti.	1	-	-	-
Düzyayın Tüketim Malları Pazarlama A.Ş.	-	-	60	-
Koçnet Haberleşme Teknoloji ve İlet. Hizm. A.Ş.	-	-	141	-
Opet-Fuchs Madeni Yağlar	-	-	36	-
Promena Elektronik Ticaret A.Ş.	-	-	20	-
Ram Dış Ticaret A.Ş.	-	-	8.557	-
Ram Sigorta Aracılık Hizmetleri A.Ş. (*)	-	-	737	-
Setair Hava Taşımacılığı ve Hizm. A.Ş.	-	-	56	-
Tanı Pazarlama ve İletişim Hizmetleri A.Ş.	-	-	175	-
Yapı Kredi Bankası A.Ş.	-	-	3	-
Callus Bilgi ve İletişim Hizmetleri A.Ş.	-	-	69	-
<b>Shareholders</b>				
Koç Holding A.Ş.	-	-	426	-
<b>Investments accounted under equity method</b>				
Zinerji Enerji Sanayi ve Ticaret A.Ş.	1.140	-	-	-
	<b>23.742</b>	<b>-</b>	<b>69.072</b>	<b>-</b>

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

(\*\*) Group companies include Koç Group companies.

As of June 30, 2010, TL 267 thousand (December 31, 2009 – TL 206 thousand), which is reflected within other payables at the consolidated balance sheet, represent mainly the dividends payable related to dividends declared for 2006 profits to the shareholders, who have not received their dividends, which were distributed on May 24, 2007.

**Aygaz Anonim Şirketi and Subsidiaries****Notes to the condensed consolidated financial statements  
for the six month interim period ended June 30, 2010 (Continued)  
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)****21. Transactions with related parties (continued)**

Balances with related parties	December 31, 2009			
	Receivables		Payables	
	Trade	Non trade	Trade	Non trade
<b>Group companies (**)</b>				
Türkiye Petrol Rafinerileri A.Ş.	14.160	-	20.300	-
Tofaş Türk Otomobil Fabrikası A.Ş.	1.105	-	222	-
Ford Otomotiv Sanayi A.Ş.	891	-	-	-
Vehbi Koç Vakfı Koç Üniversitesi	341	-	-	-
Demir Export A.Ş.	339	-	-	-
Arçelik A.Ş.	206	-	7.477	-
Otokar Otobüs Karoseri Sanayi A.Ş.	178	-	-	-
Harranova Besi ve Tarım Ürünleri A.Ş.	152	-	-	-
Arçelik LG Klima San. Ve Tic. A.Ş.	131	-	-	-
RMK Marine Gemi Yapım San. Ve Deniz Taş.İşl. A.Ş.	125	-	-	-
Otokoç Otomotiv Tic. Ve San. A.Ş.	124	-	332	-
Yapı Kredi Kültür Sanat Yayıncılık Tic. Ve San. A.Ş.	81	-	2	-
Opet Petrolcülük A.Ş.	75	-	10.159	-
Kanel Kangal Elektrik A.Ş.	64	-	-	-
Türk Traktör ve Ziraat Makinaları A.Ş.	41	-	-	-
Altinyunus Çeşme Turistik Tesisler A.Ş.	29	-	-	-
Rahmi Koç Vakfı Müzesi	20	-	-	-
Palmira Turizm Ticaret A.Ş.	12	-	34	-
Tat Konserve Sanayi A.Ş.	9	-	-	-
Beldesan Otomotiv Yan Sanayii ve Tic A.Ş.	5	-	-	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	2	-	117	-
Marmaris Altinyunus Turistik Tesisleri A.Ş.	1	-	3	-
Ram Dış Ticaret A.Ş.	-	-	8.175	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	-	-	3.611	-
Koç Sistem Bilgi ve İletişim Hizm. A.Ş.	-	-	1.251	-
Ram Sigorta Aracılık Hizmetleri A.Ş. (*)	-	-	377	-
Setair Hava Taşımacılığı ve Hizm. A.Ş.	-	-	273	-
Düzyer Tüketim Malları Pazarlama A.Ş.	-	-	173	-
Tanı Pazarlama ve İletişim Hizmetleri A.Ş.	-	-	137	-
Setur Servis Turistik A.Ş.	-	-	121	-
Opet-Fuchs Madeni Yağlar	-	-	110	-
Koçnet Haberleşme Teknoloji ve İletişim Hizm. A.Ş.	-	-	105	-
Promena Elektronik Ticaret A.Ş.	-	-	19	-
Yapı Kredi Bankası A.Ş.	-	-	3	-
Vehbi Koç Vakfı Amerikan Hastanesi	-	-	3	-
<b>Investments accounted under equity method</b>				
Zinerji Enerji Sanayi ve Ticaret A.Ş.	1.126	-	-	-
Eltek Elektrik İthalat İhracat ve Toptan Ticaret A.Ş.	13	-	-	-
<b>Shareholders</b>				
Koç Holding A.Ş.	-	-	440	-
	19.230	-	53.444	-

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

(\*\*) Group companies include Koç Group companies.



**Aygaz Anonim Şirketi and Subsidiaries****Notes to the condensed consolidated financial statements  
for the six month interim period ended June 30, 2010 (Continued)  
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)****21. Transactions with related parties (continued)**

Transactions with related parties	January 1 - June 30, 2010			
	Purchases (Goods)	Sales (Goods)	Purchases (Service)	Sales (Service)
<b>Group companies (**)</b>				
Türkiye Petrol Rafinerileri A.Ş.	180.008	94.018	566	1.718
Opet Petrolcülük A.Ş. (*)	41.897	789	271	121
Arçelik A.Ş.	36.043	4.867	20	5
Ram Dış Ticaret A.Ş.	15.331	-	152	6
Zer Merkezi Hizmetler ve Ticaret A.Ş.	6.885	161	11.051	2.932
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	1.018	186	1.707	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	482	1.448	20	-
Opet-Fuchs Madeni Yağlar	219	-	-	-
Arçelik LG Klima San. ve Tic. A.Ş.	142	285	-	-
Koçnet Haberleşme Teknoloji ve İlet. Hizm. A.Ş.	22	-	685	19
Ford Otomotiv Sanayi A.Ş.	21	12.317	-	-
Palmira Turizm Ticaret A.Ş.	18	351	15	-
Otokoç Otomotiv Tic. ve San. A.Ş.	12	1.041	1.672	9
Tanı Pazarlama ve İletişim Hizmetleri A.Ş.	11	-	700	2
Bilkom Bilişim Hizmetleri A.Ş.	6	-	-	-
East Marine	5	-	-	-
Tat Konserve Sanayi A.Ş.	5	624	-	-
Oriente Klassik Giyim San. Ve Tic. A.Ş.	2	-	-	-
Düzyayın Tüketim Malları Pazarlama A.Ş.	1	1	299	-
Beldeyama Motorlu Vasıtalar San. A.Ş.	1	1	-	-
Grundig Elektronik A.Ş.	1	-	-	-
Demir Export A.Ş.	-	6.542	-	-
Tofaş Türk Otomobil Fabrikası A.Ş.	-	5.037	19	255
Vehbi Koç Vakfı Koç Üniversitesi	-	1.273	41	-
Türk Traktör ve Ziraat Makinaları A.Ş.	-	1.622	-	-
Harranova Besi ve Tarım Ürünleri A.Ş.	-	607	-	-
Otokar Otobüs Karoseri Sanayi A.Ş.	-	876	82	-
R.M.K ve Mahdumları Mad. İnş.Tur.Yat. ve Tic. A.Ş.	-	452	-	-
Altinyunus Çeşme Turistik Tesisler. A.Ş.	-	176	-	7
Marmaris Altinyunus Turistik Tesisleri A.Ş.	-	228	-	-
Yapı Kredi Finansal Kiralama	-	91	-	-
RMK Marine Gemi Yapım San. ve Deniz Taş. İşl. A.Ş.	-	68	65	-
THY Opet Havacılık	-	6	-	-
Setur Servis Turistik A.Ş.	-	4	957	12
Beldesın Otomotiv Yan Sanayii ve Tic. A.Ş.	-	-	-	9
Promena Elektronik Ticaret A.Ş.	-	-	75	-
Vehbi Koç Vakfı Amerikan Hastanesi	-	209	-	-
<b>Shareholders</b>				
Koç Holding A.Ş.	-	-	1.952	-
	<b>282.130</b>	<b>133.280</b>	<b>20.349</b>	<b>5.095</b>

(\*) Commission expense regarding LPG sold at Opet stations as of June 30, 2010 is TL 26.420 thousand (June 30, 2009 - TL 25.723 thousand). The commission expense mentioned above is evaluated as part of sales and accounted under income statement as sales discounts.

(\*\*) Group companies include Koç Group companies.

**Aygaz Anonim Şirketi and Subsidiaries****Notes to the condensed consolidated financial statements  
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(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)****21. Transactions with related parties (continued)**

Transactions with related parties	January 1 - June 30, 2009			
	Purchases (Goods)	Sales (Goods)	Purchases (Service)	Sales (Service)
<b>Group companies (*)</b>				
Türkiye Petrol Rafinerileri A.Ş.	128.072	88.955	823	10
Arçelik A.Ş.	34.555	2.740	28	22
Opet Petrolcülük A.Ş.	23.976	642	291	397
TBS Denizcilik ve Petrol Ürünleri Ticaret A.Ş.	2.176	-	-	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	1.741	872	10.577	-
Ram Dış Ticaret A.Ş.	1.269	-	5	-
Arçelik LG Klima San. Ve Tic. A.Ş.	786	274	-	-
Koç Yapı Malzemeleri Tic. A.Ş.	662	-	4	-
Beldeyama Motorlu Vasıtalar San. A.Ş.	469	1	-	-
Opet-Fuchs Madeni Yağlar	51	-	-	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	25	4	1.616	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	22	127	2	-
Tanı Pazarlama ve İletişim Hizmetleri A.Ş.	14	-	632	-
Düzye Tüketim Malları Pazarlama A.Ş.	11	1	241	-
Otokar Otobüs Karoseri San. A.Ş.	8	483	92	-
Palmira Turizm Ticaret A.Ş.	5	27	8	-
Grundig Elektronik A.Ş.	4	46	-	-
Oriente Klassik Giyim San. Ve Tic. A.Ş.	4	-	-	-
Koçnet Haberleşme teknoloji ve İlet. Hizm. A.Ş.	1	-	765	-
Otokoç Otomotiv Tic. San. A.Ş.	1	860	1.705	2
Harranova Besi ve Tarım Ürünleri A.Ş.	-	707	-	-
Setair hava Taşımacılığı ve Hizm. A.Ş.	-	-	1.094	-
Yapı Kredi Yatırım menkul Değerler A.Ş.	-	-	24	-
Promena Elektronik Tic. A.Ş.	-	-	82	-
Yapı Kredi Bankası A.Ş.	-	-	15	-
Yapı Kredi Sigorta A.Ş.	-	-	1	-
Ford Otomotiv San. A.Ş.	-	2.416	-	-
Beldesın Otomotiv Yan Sanayi ve Tic. A.Ş.	-	8	-	-
Setur Servis Turistik A.Ş.	-	13	664	-
Tat Konserve Sanayi A.Ş.	-	44	-	-
Türk Traktör ve Ziraat Makinaları A.Ş.	-	342	-	-
Demir Export A.Ş.	-	3.098	-	-
Yapı Kredi Kültür Sanat Yayıncılık Tic. Ve San. A.Ş.	-	76	2	-
Marmaris Altinyunus Turistik Tesisleri A.Ş.	-	123	1	-
Altinyunus Çeşme Turistik Tesisleri A.Ş.	-	197	-	4
RMK Marine Gemi Yapım San. ve Deniz Taş. İşl. A.Ş.	-	461	-	-
Vehbi Koç Vakfı Koç Üniversitesi	-	789	78	-
Tofaş Türk Otomobil Fabrikası A.Ş.	-	4.837	19	-
<b>Investments accounted under equity method</b>				
Zinerji Enerji Sanayi ve Ticaret A.Ş.	1	-	-	-
<b>Shareholders</b>				
Koç Holding A.Ş.	-	-	1.712	-
	193.853	108.143	20.481	435

(\*) Group companies include Koç Group companies.

**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to the condensed consolidated financial statements  
for the six month interim period ended June 30, 2010 (Continued)  
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)**

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

January 1 - June 30, 2010				
Tangible asset and rent transactions with related parties	Rent income	Rent expense	Fixed asset purchases	Fixed asset sales
<b>Group companies (*)</b>				
Opet Petrolcülük A.Ş.	200	7	-	-
Küsel Ltd. Şti.	1	-	-	-
Otokoç Otomotiv Tic. ve San. A.Ş.	-	44	144	-
Yapı Kredi Bankası A.Ş.	-	55	-	-
Arçelik A.Ş.	-	-	22	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	1.487	-
Koçnet Haberleşme Teknoloji ve İlet. Hizm. A.Ş.	-	-	22	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	-	-	57	-
Ram Dış Ticaret A.Ş.	-	-	4	-
Tat Konserve Sanayi A.Ş.	-	-	5	-
Türkiye Petrol Rafinerileri A.Ş.	-	-	45	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	-	-	1	2.891
<b>Investments accounted under equity method</b>				
Zinerji Enerji Sanayi ve Ticaret A.Ş.	1	-	-	-
<b>Shareholders</b>				
Temel Ticaret ve Yatırım A.Ş.	-	26	-	-
Koç Family members	-	197	-	-
	<b>202</b>	<b>329</b>	<b>1.787</b>	<b>2.891</b>

January 1 - June 30, 2009				
Tangible asset and rent transactions with related parties	Rent income	Rent expense	Fixed asset purchases	Fixed asset sales
<b>Group companies (*)</b>				
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	202	-
Otokoç Otomotiv Tic. ve San. A.Ş.	-	56	25	-
Koçnet Haberleşme Teknoloji ve İlet. Hizm. A.Ş.	-	-	203	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	-	-	8	-
Birmot Birleşik Motor San. ve Tic. A.Ş.	1	-	-	-
Yapı Kredi Bankası A.Ş.	-	42	-	-
Opet Petrolcülük A.Ş.	193	7	-	-
Küsel Petrolcülük A.Ş.	1	-	-	-
	<b>195</b>	<b>105</b>	<b>438</b>	<b>-</b>

(\*) Group companies include Koç Group companies.

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

**Aygaz Anonim Şirketi and Subsidiaries**

**Notes to the condensed consolidated financial statements  
for the six month interim period ended June 30, 2010 (Continued)  
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)**

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

Financial and other transactions with related parties	January 1 - June 30, 2010			
	Financial income	Financial expense	Other income	Other expense
<b>Group companies (*)</b>				
Yapı Kredi Bankası A.Ş.	5.005	6.692	-	-
Türkiye Petrol Rafinerileri A.Ş.	236	649	-	-
Koçnet Haberleşme Teknoloji ve İlet. Hizm. A.Ş.	7	-	-	-
Arçelik A.Ş.	6	-	-	-
Ford Otomotiv Sanayi A.Ş.	2	-	-	-
R.M.K ve Mahdumları Mad. İnş.Tur.Yat. ve Tic. A.Ş.	1	-	-	-
Türk Traktör ve Ziraat Makineleri A.Ş.	1	-	-	-
	<b>5.258</b>	<b>7.341</b>	-	-

Financial and other transactions with related parties	January 1 - June 30, 2009			
	Financial income	Financial expense	Other income	Other expense
<b>Group companies (*)</b>				
Yapı Kredi Bankası A.Ş.	11.519	1.764	-	-
Arçelik A.Ş.	2	-	-	-
Türkiye Petrol Rafinerileri A.Ş. (Tüpraş)	2	132	-	-
Ford Otomotiv Sanayi A.Ş.	1	-	-	-
RMK Marine Gemi Yapım San. ve Deniz Taş. İşl. A.Ş.	1	-	-	-
Opet Petrolcülük A.Ş.	-	-	-	2.779
<b>Shareholders</b>				
Koç Holding A.Ş.	-	27.837	-	-
	<b>11.525</b>	<b>29.733</b>	-	<b>2.279</b>

Deposits at banks	June 30, 2010	December 31, 2009
<b>Group companies (*)</b>		
Yapı Kredi Bankası A.Ş.	135.440	332.819

Loans from related parties	January 1 - June 30, 2010				
	Original currency	Maturity	Interest rate %	Current liabilities	Non current liabilities
<b>Group companies (*)</b>					
Yapı Kredi Bankası	TL	Spot	-	22.530	-
				<b>22.530</b>	

(\*) Group companies include Koç Group companies.

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

## Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements  
for the six month interim period ended June 30, 2010 (Continued)**  
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)

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

Loans from related parties	January 1 - December 31, 2009				
	Original currency	Maturity	Interest rate %	Current liabilities	Non current liabilities
<b>Group companies (*)</b>					
Yapı Kredi Bankası	TL	Spot	-	4.055	-
				4.055	-

(\*) Group companies include Koç Group companies.

### Benefits paid to Board of Directors and executives

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

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

Total of the benefit provided to senior management of the Group as of June 30, 2010 is TL 2.672 thousand (June 30, 2009: TL 1.652 thousand).

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

#### Financial risk factors

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

**Aygaz Anonim Şirketi and Subsidiaries****Notes to the condensed consolidated financial statements  
for the six month interim period ended June 30, 2010 (Continued)  
(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)****22. Nature and level of risk derived from financial instruments (continued)***Foreign currency risk management*

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

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

June 30, 2010		Total TL equivalent	TL equivalent of USD	TL equivalent of Euro	TL equivalent of GBP	Other
1.	Trade receivables	17.569	14.965	2.604	-	-
2.a	Monetary financial assets	114.863	76.389	38.416	52	6
2.b	Non monetary financial assets	-	-	-	-	-
3.	Other	74	52	22	-	-
<b>4.</b>	<b>Current assets</b>	<b>132.506</b>	<b>91.406</b>	<b>41.042</b>	<b>52</b>	<b>6</b>
5.	Trade receivables	-	-	-	-	-
6.a	Monetary financial assets	-	-	-	-	-
6.b	Non monetary financial assets	-	-	-	-	-
7.	Other	-	-	-	-	-
<b>8.</b>	<b>Non current assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9.</b>	<b>Total assets</b>	<b>132.506</b>	<b>91.406</b>	<b>41.042</b>	<b>52</b>	<b>6</b>
10.	Trade payables (*)	(104.803)	(104.045)	(720)	-	(38)
11.	Financial liabilities	(52.162)	(51.490)	(672)	-	-
12.a	Other monetary financial liabilities	-	-	-	-	-
12.b	Other non monetary financial liabilities	-	-	-	-	-
<b>13.</b>	<b>Current liabilities</b>	<b>(156.965)</b>	<b>(155.535)</b>	<b>(1.392)</b>	<b>-</b>	<b>(38)</b>
14.	Trade payables (*)	-	-	-	-	-
15.	Financial liabilities	(122.321)	(20.471)	(101.850)	-	-
16.a	Other monetary financial liabilities	(271)	(263)	(8)	-	-
16.b	Other non monetary financial liabilities	-	-	-	-	-
<b>17.</b>	<b>Non current liabilities</b>	<b>(122.592)</b>	<b>(20.734)</b>	<b>(101.858)</b>	<b>-</b>	<b>-</b>
<b>18.</b>	<b>Total liabilities</b>	<b>(279.557)</b>	<b>(176.269)</b>	<b>(103.250)</b>	<b>-</b>	<b>(38)</b>
19.	Net asset / liability position of off balance sheet liabilities (19a-19b)	-	-	-	-	-
19.a	Off balance sheet foreign currency derivative assets	-	-	-	-	-
19.b	Off balance sheet foreign currency derivative liabilities	-	-	-	-	-
<b>20.</b>	<b>Net foreign currency asset / liability position</b>	<b>(147.051)</b>	<b>(84.863)</b>	<b>(62.208)</b>	<b>52</b>	<b>(32)</b>
<b>21.</b>	<b>Net foreign currency asset / liability position of monetary items (1+2a+6a+10+11+12a+14+15+16a)</b>	<b>(147.125)</b>	<b>(84.915)</b>	<b>(62.230)</b>	<b>52</b>	<b>(32)</b>
22.	Fair value of foreign currency hedged financial assets	-	-	-	-	-
23.	Hedged foreign currency assets	-	-	-	-	-
24.	Export	161.010	157.644	3.363	-	3
25.	Import	576.851	574.431	2.019	117	284

(\*) 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, 2010, the Group has LPG amounting to TL 55.422 thousand (December 31, 2009 TL 26.741 thousand)

**Aygaz Anonim Şirketi and Subsidiaries****Notes to the condensed consolidated financial statements  
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(Amounts expressed in thousands of Turkish Lira (“TL”), unless otherwise indicated)****22. Nature and level of risk derived from financial instruments (continued)**

December 31, 2009		Total TL equivalent	TL equivalent of USD	TL equivalent of Euro	TL equivalent of GBP	Other
1.	Trade receivables	27.723	24.422	3.301	-	-
2.a	Monetary financial assets	192.140	186.209	5.886	45	-
2.b	Non monetary financial assets	-	-	-	-	-
3.	Other	104	51	53	-	-
4.	Current assets	219.967	210.682	9.240	45	-
5.	Trade receivables	-	-	-	-	-
6.a	Monetary financial assets	-	-	-	-	-
6.b	Non monetary financial assets	-	-	-	-	-
7.	Other	-	-	-	-	-
8.	Non current assets	-	-	-	-	-
9.	<b>Total assets</b>	<b>219.967</b>	<b>210.682</b>	<b>9.240</b>	<b>45</b>	<b>-</b>
10.	Trade payables	(83.708)	(82.743)	(965)	-	-
11.	Financial liabilities	(136.217)	(134.950)	(1.267)	-	-
12.a	Other monetary financial liabilities	-	-	-	-	-
12.b	Other non monetary financial liabilities	-	-	-	-	-
13.	Current liabilities	(219.925)	(217.693)	(2.232)	-	-
14.	Trade payables	-	-	-	-	-
15.	Financial liabilities	(176.230)	(61.734)	(114.496)	-	-
16.a	Other monetary financial liabilities	-	-	-	-	-
16.b	Other non monetary financial liabilities	-	-	-	-	-
17.	Non current liabilities	(176.230)	(61.734)	(114.496)	-	-
18.	<b>Total liabilities</b>	<b>(396.155)</b>	<b>(279.427)</b>	<b>(116.728)</b>	<b>-</b>	<b>-</b>
19.	Net asset / liability position of off balance sheet liabilities (19a-19b)	-	-	-	-	-
19.a	Off balance sheet foreign currency derivative assets	-	-	-	-	-
19.b	Off balance sheet foreign currency derivative liabilities	-	-	-	-	-
20.	<b>Net foreign currency asset / liability position</b>	<b>(176.188)</b>	<b>(68.745)</b>	<b>(107.488)</b>	<b>45</b>	<b>-</b>
21.	Net foreign currency asset / liability position of monetary items (1+2a+6a+10+11+12a+14+15+16a)	(176.292)	(68.796)	(107.541)	45	-
22.	Fair value of foreign currency hedged Financial assets	-	-	-	-	-
23.	Hedged foreign currency assets	-	-	-	-	-
24.	Export	210.235	198.723	11.512	-	-
25.	Import	983.006	968.006	14.716	101	183

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

## Aygaz Anonim Şirketi and Subsidiaries

**Notes to the condensed consolidated financial statements  
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### 22. Nature and level of risk derived from financial instruments (continued)

As of June 30, 2010 and December 31, 2009, the sensitivity analysis of the Group’s pre-tax income related to 10% change in USD and Euro (when other variables are held constant) are as follows:

	June 30, 2010			
	Gain/Loss		Equity	
	Foreign exchange appreciation	Foreign exchange depreciation	Foreign exchange appreciation	Foreign exchange depreciation
+/-10% fluctuation of USD rate				
USD net asset/liability	(8.486)	8.486	(8.486)	8.486
Secured portion from USD risk	-	-	-	-
<b>USD net effect</b>	<b>(8.486)</b>	<b>8.486</b>	<b>(8.486)</b>	<b>8.486</b>
+/-10% fluctuation of Euro rate				
Euro net asset/liability	(6.221)	6.221	(6.221)	6.221
Secured portion from Euro risk	-	-	-	-
<b>Euro net effect</b>	<b>(6.221)</b>	<b>6.221</b>	<b>(6.221)</b>	<b>6.221</b>
	<b>(14.707)</b>	<b>14.707</b>	<b>(14.707)</b>	<b>14.707</b>

	December 31, 2009			
	Gain/Loss		Equity	
	Foreign exchange appreciation	Foreign exchange depreciation	Foreign exchange appreciation	Foreign exchange depreciation
+/-10% fluctuation of USD rate				
USD net asset/liability	(6.875)	6.875	(6.875)	6.875
Secured portion from USD risk	-	-	-	-
<b>USD net effect</b>	<b>(6.875)</b>	<b>6.875</b>	<b>(6.875)</b>	<b>6.875</b>
+/-10% fluctuation of Euro rate				
Euro net asset/liability	(10.749)	10.749	(10.749)	10.749
Secured portion from Euro risk	-	-	-	-
<b>Euro net effect</b>	<b>(10.749)</b>	<b>10.749</b>	<b>(10.749)</b>	<b>10.749</b>
	<b>(17.624)</b>	<b>17.624</b>	<b>(17.624)</b>	<b>17.624</b>



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

## **Aygaz Anonim Şirketi and Subsidiaries**

**Notes to the condensed consolidated financial statements  
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### **23. Events after balance sheet date**

A new regulation related to application of investment incentive has been introduced on the fifth act of “Law regarding amendments to the Income Tax Law and Some Other Certain Laws and Decree Laws” which is issued and published at August 1, 2010 in Official Gazette (issue: 27659). With this new regulation, there is no time limitation about the use of the investment allowance amount deferred from 2005 in line with the decision of Constitutional Court, but use of investment allowance is limited with 25% of the income. Accordingly, the taxpayers should calculate and pay 20% of corporate tax based on the remaining, after deducting the investment incentive, 75% of pretax income.

At the board of directors meeting held on July 15, 2010, it is decided to maintain the Company’s vessel transportation line with separate incorporated entities where the majority of ownership will belong to Aygaz.

Sale of 27% shares of Eltek, which was previously owned by the Company and its subsidiaries Mogaz and Akpa, to Entek has been completed on July 26, 2010 with the permission of Energy Market Regulatory Authority of Turkey.