

**İŞ GİRİŞİM SERMAYESİ
YATIRIM ORTAKLIĞI A.Ş. AND
ITS SUBSIDIARIES**

Condensed Consolidated
Interim Financial Statements
As at and for the Nine Month Period
Ended 30 September 2013
With Independent Auditors' Review Report

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İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013

(Amounts expressed in Turkish Lira (“TL”))

	Notes	Not Reviewed 30 September 2013	Restated (*) Audited 31 December 2012
ASSETS			
Current Assets			
Cash and Cash Equivalents	7	107,184,084	40,802,761
Investment Securities	8	111,001,549	101,216,342
Trade Receivables	10	53,616,395	55,194,978
- <i>Due from Related Parties</i>	6	-	7,080
- <i>Due from Third Parties</i>		53,616,395	55,187,898
Other receivables		592,896	689,910
- <i>Other Receivables from Third Parties</i>		592,896	689,910
Inventories	11	55,332,527	41,242,332
Other Current Assets		13,981,922	10,097,897
SUBTOTAL		341,709,373	249,244,220
TOTAL CURRENT ASSETS		341,709,373	249,244,220
Non-Current Assets			
Other Receivables		155,136	83,205
- <i>Due from Related Parties</i>	6	150	-
- <i>Due from Third Parties</i>		154,986	83,205
Investment in Equity-Accounted Investees	12	-	23,565,589
Tangible assets	13	17,029,395	11,218,825
Intangible assets	14	84,599,232	87,842,602
- <i>Goodwill</i>		58,432,639	58,432,639
- <i>Other intangible assets</i>		26,166,593	29,409,963
Deferred Tax Assets		238,029	320,604
Other Non-Current Assets		1,674,382	258,782
TOTAL NON-CURRENT ASSETS		103,696,174	123,289,607
TOTAL ASSETS		445,405,547	372,533,827

(*)See Note 2.

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013 (CONTINUED)

(Amounts expressed in Turkish Lira (“TL”))

	Notes	Not Reviewed 30 September 2013	Restated (*) Audited 31 December 2012
LIABILITIES			
Current Liabilities			
Short-term Loans and Borrowings	9	24,198,019	44,488,294
Short-term Portion of Long-term Loans and Borrowings	9	16,461,242	6,341,027
Trade Payables		39,377,177	31,705,458
- Due to Related Parties	6	567,182	123,955
- Due to Third-Parties		38,809,995	31,581,503
Employee Benefit Payables		2,287,361	1,328,234
Other Payables		953,673	1,370,659
- Due to Third-Parties		953,673	1,370,659
Current Tax Liability		114,379	416,040
Short-term Provisions		3,802,881	2,559,007
- Short-term Employee Benefits		2,701,124	1,963,389
- Other Short-term Provisions	15	1,101,757	595,618
Other Current Liabilities		2,273,699	2,980,367
TOTAL CURRENT LIABILITIES		89,468,431	91,189,086
Non-Current Liabilities			
Long-term Loans and Borrowings	9	45,750,674	20,828,670
Trade Payables		1,996,000	2,798,531
- Due to Related Parties	6	500,000	1,000,009
- Due to Third Parties		1,496,000	1,798,522
Other Payables		-	16,299
- Due to Related Parties		-	16,299
Long-term Provisions		1,817,371	2,575,584
- Long-term Employee Benefits		1,817,371	2,575,584
Deferred Tax Liabilities		3,802,825	4,152,784
Other Non-Current Liabilities		93,192	122,038
TOTAL NON-CURRENT LIABILITIES		53,460,062	30,493,906
TOTAL LIABILITIES		142,928,493	121,682,992

(*)See Note 2.

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013 (CONTINUED)

(Amounts expressed in Turkish Lira (“TL”))

	<u>Notes</u>	Not Reviewed 30 September 2013	Restated (*) Audited 31 December 2012
EQUITY		302,477,054	250,850,835
Equity attributable to owners of the Company		282,408,688	228,609,491
Share Capital	16	66,654,000	57,960,000
Adjustment to Share Capital		21,606,400	21,606,400
Share Premium		7,000,000	7,000,000
Other Reserves		19,748,414	19,921,245
Other comprehensive income items that would never be reclassified to profit or loss		-	-
Other comprehensive income items that may be reclassified to profit or loss		(963,792)	(257,148)
- Foreign Currency Translation Differences		(963,792)	(257,148)
Legal Reserves	16	13,187,745	9,496,886
Retained Earnings		82,993,329	62,620,532
Profit for the Period		72,182,592	50,261,576
Non-Controlling Interests		20,068,366	22,241,344
TOTAL EQUITY		302,477,054	250,850,835
TOTAL EQUITY AND LIABILITIES		445,405,547	372,533,827

^(*)See Note 2.

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2013

(Amounts expressed in Turkish Lira (“TL”))

Notes	Not Reviewed 1 January- 30 September 2013	Not Reviewed 1 July- 30 September 2013	Restated (*) Not Reviewed 1 January- 30 September 2012	Restated (*) Not Reviewed 1 July- 30 September 2012
CONTINUING OPERATIONS				
Revenue	222,336,702	141,902,392	39,929,279	8,777,816
Cost of Sales (-)	(104,987,132)	(54,353,527)	(16,117,664)	(4,150,241)
GROSS PROFIT/LOSS	117,349,570	87,548,865	23,811,615	4,627,575
General Administrative Expenses (-)	(28,302,009)	(9,805,700)	(10,284,672)	(3,352,610)
Marketing Selling and Distribution Expenses (-)	(17,736,138)	(6,257,683)	(3,322,257)	(1,123,843)
Research and Development Expenses (-)	(2,741,386)	(955,817)	(2,255,368)	(718,747)
Other Operating Income	1,619,273	(649,955)	6,984,875	171,335
Other Operating Expense (-)	(2,272,233)	(185,899)	(1,050,197)	(235,168)
Share of Profit of Equity-accounted Investees	4,300,659	-	4,741,233	764,584
OPERATING PROFIT	72,217,736	69,693,811	18,625,229	133,126
Income from Investing Activities	6,454,936	1,998,582	9,414,999	2,750,049
Expenses from Investing Activities (-)	(4,563,157)	(991,291)	(296,041)	66,133
PROFIT/LOSS BEFORE FINANCE COSTS	74,109,515	70,701,102	27,744,187	2,949,308
Finance Costs (-)	(10,662,854)	(3,510,373)	(5,572,269)	(1,138,008)
Finance Income	6,894,460	2,719,527	7,369,297	1,964,251
PROFIT / LOSS BEFORE TAXATION FROM CONTINUING OPERATIONS	70,341,121	69,910,256	29,541,215	3,775,551
Income tax from continuing operations	(315,442)	(133,642)	615,225	272,881
Current Income Tax Income/(Expense)	(582,826)	27,852	-	-
Deferred Tax Income/(Expense)	267,384	(161,494)	615,225	272,881
PROFIT/LOSS FROM CONTINUING OPERATIONS	70,025,679	69,776,614	30,156,440	4,048,432
PROFIT/LOSS FROM DISCONTINUED OPERATIONS	-	-	4,202,485	-
PROFIT/LOSS FOR THE PERIOD	70,025,679	69,776,614	34,358,925	4,048,432

(*)See Note 2.

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2013 (CONTINUED)

(Amounts expressed in Turkish Lira (“TL”))

Notes	Not Reviewed 1 January- 30 September 2013	Not Reviewed 1 July- 30 September 2013	Restated (*) Not Reviewed 1 January- 30 September 2012	Restated (*) Not Reviewed 1 July- 30 September 2012
OTHER COMPREHENSIVE INCOME				
Items that would never be reclassified to profit or loss:				
Remeasurements of the defined benefit liability/ (asset)	-	-	(114,361)	(56,284)
Tax on items that would never be reclassified to profit/loss	-	-	27,452	11,296
- <i>Deferred tax expense/income</i>	-	-	27,452	11,296
Items that may be reclassified to profit or loss:				
Foreign currency translations differences	(895,540)	(410,859)	1,326,749	30,577
Net change in fair value of cash flow hedges reclassified to profit or loss	-	-	(58,903)	-
Tax on items that may be reclassified subsequently to profit or loss	-	-	-	-
- <i>Deferred tax expense/income</i>	-	-	11,781	-
OTHER COMPREHENSIVE INCOME	(895,540)	(410,859)	1,165,266	(25,707)
TOTAL COMPREHENSIVE INCOME	69,130,139	69,365,755	35,524,191	4,022,725
Total comprehensive income attributable to:				
Non-Controlling Interests	(2,345,809)	(1,605,630)	1,854,782	(83,590)
Owners of the Company	71,475,948	70,971,385	33,669,409	4,106,315
Profit/Loss Attributable to:				
Non-Controlling Interests	(2,156,913)	(1,511,311)	2,031,073	(33,404)
Owners of the Company	72,182,592	71,287,925	32,327,852	4,081,836
Earnings Per Share				
Earnings per share – Continuing Operations	17	1,082,945	1,069,522	0,485,010
Earnings per share – Discontinued Operations	20	-	-	0,063,049
Diluted Earnings Per Share				
Diluted Earnings Per Share – Continuing Operations	17	1,082,945	1,069,522	0,464,519
Diluted Earnings Per Share – Discontinued Operations	20	-	-	0,063,049

(*)See Note 2.

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2013 (Amounts expressed in Turkish Lira ("TL"))

Note	Share Capital	Adjustment to Share Capital	Share Premium	Other Comprehensive Income/Expense that will be Reclassified to Profit or Loss		Other Reserves	Legal Reserves	Retained Earnings		Total Before Non - Controlling Interests	Non - Controlling Interests	Total
				Cashflow Hedging Reserves	Foreign Currency Translation Reserves			Profit/Loss For the Period	Retained Earnings			
Balance at 1 January 2012	50,400,000	21,606,400	7,000,000	(116,655)	(1,172,533)	249,702	6,778,897	42,022,704	43,651,570	170,420,085	1,129,279	171,549,364
Adjustments related to changes in accounting policies	-	-	-	-	-	-	-	40,799	(40,799)	-	-	-
Restated balance at 1 January 2012 (*)	50,400,000	21,606,400	7,000,000	(116,655)	(1,172,533)	249,702	6,778,897	42,063,503	43,610,771	170,420,085	1,129,279	171,549,364
Transfers	-	-	-	-	-	-	2,717,989	(42,063,503)	39,345,514	-	-	-
Total comprehensive income	-	-	-	(47,122)	1,388,679	-	-	32,327,852	-	33,669,409	1,854,782	35,524,191
Dividends paid	-	-	-	-	-	-	-	-	(12,600,000)	(12,600,000)	-	(12,600,000)
Issue of ordinary shares	7,560,000	-	-	-	-	-	-	-	(7,560,000)	-	-	-
Business combination	-	-	-	-	-	-	-	-	-	-	9,941,345	9,941,345
Balance at 30 September 2012	57,960,000	21,606,400	7,000,000	(163,777)	216,146	249,702	9,496,886	32,327,852	62,796,285	191,489,494	12,925,406	204,414,900

Note	Share Capital	Adjustment to Share Capital	Share Premium	Other Comprehensive Income/Expense that will be Reclassified to Profit or Loss		Other Reserves	Legal Reserves	Retained Earnings		Total Before Non - Controlling Interests	Non - Controlling Interests	Total
				Cashflow Hedging Reserves	Foreign Currency Translation Reserves			Profit/Loss For the Period	Retained Earnings			
Balance at 1 January 2013	57,960,000	21,606,400	7,000,000	-	(257,148)	19,921,245	9,496,886	50,085,823	62,796,285	228,609,491	22,241,344	250,850,835
Adjustments related to changes in accounting policies	-	-	-	-	-	-	-	175,753	(175,753)	-	-	-
Restated balance at 1 January 2013 (*)	57,960,000	21,606,400	7,000,000	-	(257,148)	19,921,245	9,496,886	50,261,576	62,620,532	228,609,491	22,241,344	250,850,835
Transfers	-	-	-	-	-	-	3,690,859	(50,261,576)	46,570,717	-	-	-
Total comprehensive income	-	-	-	-	(706,644)	-	-	72,182,592	-	71,475,948	(2,345,809)	69,130,139
Dividends paid	-	-	-	-	-	-	-	-	(17,503,920)	(17,503,920)	-	(17,503,920)
Issue of ordinary shares	8,694,000	-	-	-	-	-	-	-	(8,694,000)	-	-	-
Transactions with non-controlling interests	-	-	-	-	-	(172,831)	-	-	-	(172,831)	172,831	-
Balance at 30 September 2013	66,654,000	21,606,400	7,000,000	-	(963,792)	19,748,414	13,187,745	72,182,592	82,993,329	282,408,688	20,068,366	302,477,054

(*)See note 2.

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2013

(Amounts expressed in Turkish Lira (“TL”))

	Notes	Not Reviewed 1 January-30 September 2013	Restated (*) 1 January-30 September 2012
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the Period		70,025,679	34,358,925
Adjustments for:			
Depreciation	13	2,229,211	6,294,911
Amortization	14	4,165,995	733,864
Provision for doubtful receivables (net)	10	13,925	(1,197,718)
Deferred tax income		(569,045)	(615,225)
Impairment for inventories, net	11	(566,534)	226,441
Increase in bonus provision		1,348,645	208,833
Increase in vacation pay liability		130,812	187,511
Increase in severance pay provision expense		(15,617)	273,726
Increase in accrued expenses		311,677	(28,484)
Increase in accrued income		(1,024,072)	(2,186,632)
Finance costs		6,780,630	1,462,716
Finance income		(2,414,591)	(4,192,235)
Profits from the sale of financial investments		(72,633,751)	(13,217,194)
Profits arising from business combination		-	(6,516,626)
Change in investments in equity accounted investees (net)	12	(4,300,659)	(4,741,232)
Gain on sale from discontinued operation (after tax)	20	-	(4,200,013)
Dividend income from equity investments		(1,038,178)	(830,543)
Gain/loss from the sale of non-current assets	13	(9,910)	-
Change in fair value of investment securities (net)		2,875,158	(2,604,942)
Changes in Working Capital			
Interest received		1,798,456	4,803,372
Changes in trade receivables		1,564,658	(9,366,760)
Changes in inventory		(13,523,661)	(11,430,171)
Changes in other receivables		(4,250,470)	(2,445,872)
Changes in trade payables		6,869,188	8,113,538
Changes in other payables		(15,212)	1,362,852
Net Cash from Operating Activities			
Employee severance payments		(597,333)	(116,322)
Employee vacation pay liability payments		(30,661)	(20,115)
Employee bonus payments		(856,324)	(484,021)
Net Cash used in Operating Activities		(3,731,984)	(6,167,416)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Change in financial investment		(12,660,366)	(1,256,927)
Acquisition of property and equipment		(8,144,247)	(2,743,380)
Proceeds from sale of subsidiary		100,500,000	18,813,900
Net cash used in discontinued operations		-	(477,677)
Acquisition of intangible assets	14	(922,626)	(3,206)
Proceeds from sale of property and equipments		114,378	416,957
Dividend received from equity investments		1,038,178	830,543
Net Cash from / (used in) Investing Activities		79,925,317	15,580,210
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		83,343,634	29,974,775
Repayment of borrowings		(68,591,690)	(16,780,388)
Dividends paid	16	(17,503,919)	(12,600,000)
Interest paid		(6,780,630)	(1,462,716)
Net Cash used in Financing Activities		(9,532,606)	(868,329)
CHANGE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES (A+B+C)			
D. EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD		(895,540)	1,326,749
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	7	40,514,194	39,662,428
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		65,765,188	9,871,209
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	7	106,279,382	49,533,642

(*)See Note 2.

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2013
(Amounts expressed in Turkish Lira (“TL”) unless otherwise stated.)

1. ORGANIZATION OF THE GROUP AND NATURE OF OPERATIONS

İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. (“the Company” or “İş Girişim Sermayesi”), was established in İstanbul, Turkey. The registered address of the Company is İş Kuleleri Kule 2, Kat:2, Levent, İstanbul. Türkiye İş Bankası A.Ş is the ultimate shareholder of the Group. The Company’s shares are traded in the İstanbul Stock Exchange since 2004.

The Company and its subsidiaries (“Group”) have operations in five business segments comprising private equity, IT, audio and communication systems, production and trading of orthopedics, medical, surgical equipments, wholesale and retail sales of sports wearing equipments, and restaurant management. The operating segments explained below are also the basis of segment reporting of the Group. The Company also has associates operating in various sectors, which are explained in details below.

The Group’s core business activities are as follows:

Private equity: Investing in venture capital companies which are established or will be established in Turkey and has potential to grow and need resources.

IT, audio and communication systems: Providing project consultancy, research and development of computer hardware and software, audio technologies and telecommunication systems in domestic and foreign market; and exporting, importing, distributorship, agency, installation, maintenance, after sale services, training and management, marketing of these systems and acting as the agent.

Production and trading of orthopedics, medical, surgical equipments: Purchasing-selling, marketing, producing, exporting, importing of orthopedics, medical, surgical equipments.

Wholesale and retail sales of sports wearing equipments: All kinds of weaving, sports utility, sports wearing buying and selling, marketing, export and import transactions and selling by e-commerce methods.

Restaurant management: restaurant management of food and beverage and also entertainment service areas.

Group’s continuing operating segments in basis of operating fields is disclosed in Note 3.

As at 30 September 2013, the Company has 18 employees and the Group has 866 employees (31 December 2012: Company: 15 employees and Group: 764 employees).

İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2013
(Amounts expressed in Turkish Lira (“TL”) unless otherwise stated.)

1. ORGANIZATION OF THE GROUP AND NATURE OF OPERATIONS (continued)

The details of subsidiaries and joint ventures and associates of the Company are as follows:

30 September 2013

<u>Subsidiaries</u>	<u>Nature of Operations</u>	<u>Location of Operations</u>	<u>Shareholding Interest %</u>	<u>Voting Power %</u>
Nevotek Bilişim Ses ve İletişim Sistemleri Sanayi ve Ticaret A.Ş. (“Nevotek”)	Service	Turkey	81.24	81.24
Nevotek Middle East FZ LLC	Service	United Arab Emirates	81.24	81.24
Nevotek Inter corporation	Service	United States of America	81.24	81.24
Convera Systems FZ LLC	Service	United Arab Emirates	81.24	81.24
Ortopro Tıbbi Aletler Sanayi ve Ticaret A.Ş. (“Ortopro”)	Production / Commerce	Turkey	32.5	52.5(1)
Covision Medikal Technologies Limited	Commerce	United Kingdom	32.5	52.5(1)
Toksöz Spor Malzemeleri Ticaret AŞ (“Toksöz Spor”)	Commerce	Turkey	56.00	56.00(2)
Numnum Yiyecek ve İçecek AŞ (“Numnum”)	Service	Turkey	61.66	61.66

- (1) The Company took over 1.5% bonus shares and İş Girişim’s share owned in Ortopro increased to 32.5% based on Subscription and Stakeholders Engagement signed at 4 December 2007 with Ortopro Tıbbi Aletler Sanayi ve Ticaret A.Ş. As of 5 March 2012 Erol Frik has become shareholder with holding %20 of the shares through transferring USD 4,5 million to Ortopro through capital increase by limiting existing shareholders’ stock warrant. İş Girişim’s owned shares in Ortopro have been maintained at the rate of %32.5. Simultaneously İş Girişim’s claim of appointment for Board of Director increased from 1 to 2 and İş Girişim has started to control more than half of the shares owned by Group B through capital increase. Therefore, as of 31 December 2012, Ortopro has been included in financial statement with using full consolidation method and non-controlling interests are disclosed in the financial statements where as in the previous periods it was accounted as equity accounted investee.
- (2) On 10 September 2013, the Group’s 2.5% share of Toksöz Spor, was transferred free of charge to shareholders; Şamil Toksöz and Kamil Toksöz according to the framework of provisions of the Company Capital Investments, Share Transfer and Investor Convention Agreement signed on 27 June 2012. According to that, Group’s share of Toksöz Spor capital, decreased from 58.50% to 56%.

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2. BASIS OF PRESENTATION

2.1 Basis of Presentation

a) Approval of the Financial Statements

The condensed consolidated interim financial statements of the Group as at 30 September 2013 are approved by the Board of Directors and authorized for issue on 30 October 2013. General Assembly has the power to amend the financial statements after their issue.

b) Basis of Preparation of Financial Statements

The Company and its subsidiary located in Turkey maintain their books of account and prepare their statutory financial statements in accordance with accounting principles of the Turkish Commercial Code (“TCC”) and tax legislation. The entities controlled by the subsidiary operating in foreign countries maintain their books of account and prepare their statutory financial statements in the functional currency of the country, which they are operating in and in compliance with the related country’s regulations.

As at 30 September 2013 the condensed consolidated interim financial statements of the Group have been prepared in accordance with the 20/670 numbered decision “ Announcement about formats of Financial Statements and notes” which announced by the Capital Markets Board of Turkey(“CMB”) on 7 June 2013.

According to CMB II-14.1 number communiqué, the companies are free to prepare their interim financial statements as full set or condensed in compliance with Turkish Accounting Standards 34 Interim Financial Reporting Standard (“TAS 34”). Group preferred to prepare condensed consolidated financial statements in this framework and prepared its condensed consolidated interim financial statements in accordance with this standard.

The Group’s condensed consolidated interim financial statements do not include all the explanations and notes that exists in year end financial statements, thus the condensed consolidated interim financial statements should be read together with the Group’s 31 December 2012 financial statements.

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for the investment securities, which are measured at their fair values. Fair value of the amount paid to acquire assets is the basis used to determine the historical cost.

c) Resolutions promulgated by the Public Oversight Authority

POA has promulgated the following resolutions regarding the implementation of Turkish Accounting Standards in order to ensure the reliability, comparability, verifying and uniformity of financial statements and facilitate their audit until making adjustments to TAS.

Details of resolutions and impact of them are as follows:

- ***Illustrative Financial Statement and User Guide (2013-1)***

Illustrative Financial Statement and User Guide is prepared according to the “Determination the Scope of Application of Turkish Accounting Standards Board Decision” for companies preparing their financial statements according to TAS and the reality and relevance, comparability, verifiability and understandability of financial statements and in order to facilitate audit of the financial statements and enhancing the financial statements unique. These assembly resolutions, after the publication date of 20 May 2013 entered into force as of the first reporting period. Group has made certain reclassifications to fulfil the requirements of these regulations described in Note 2.1.

The following other assembly resolutions are published on 21 July 2013 and came into force for annual reporting periods beginning on or after the reporting period of 31 December 2012. It is not expected that the decisions had effect on the Group's consolidated financial statements.

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2. BASIS OF PRESENTATION

2.1 Basis of Presentation (continued)

c) Resolutions promulgated by the Public Oversight Authority(continued)

- *Accounting of Combinations under Common Control (2013-2)*

Combination of entities under common control should be recognized using the pooling of interest method. Thus, goodwill should not be included in the financial statements.

The effect of business combinations under common control is accounted under equity in "Effect of Merging of Joint Venture Enterprises" account While using the pooling of interest method, the financial statements should be prepared as if the combination has taken place as of the beginning of the reporting period in which the common control occurs and should be presented comparatively from the beginning of the reporting period in which the common control occurred.

- *Accounting of Redeemed Share Certificates (2013-3)*

Clarification has been provided on classification and measurement of the redeemed share certificates and principles for the recognition was determined.

- *Accounting of Cross Shareholding Investments (2013-4)*

If a subsidiary of a parent entity holds shares of the parent, then this is defined as cross shareholding investment and accounting of this cross investment is assessed based on the type and different recognition principles adopted. With the subject resolution, this topic has been assessed under three main headings as explained below and the recognition principles have been determined for each of them. The subsidiary holding the equity based financial instruments of the parent, the associates or joint ventures holding the equity based financial instruments of the parent, the parent's equity based financial instruments are held by an entity, which is accounted as an investment within the scope of TAS 39 and TFRS 9 by the parent.

d) Preparation of the Financial Statements in Hyperinflationary Periods

CMB, with its 11/367 numbered resolution dated 17 March 2005 declared that companies operating in Turkey, which prepare their financial statements in accordance with CMB Financial Reporting Standards (including those applying IAS/IFRS), effective from 1 January 2005, will not be subject to the application of inflation accounting. Consequently, in the accompanying condensed consolidated financial statements IAS/TAS 29 “Financial Reporting in Hyperinflationary Economies” was not applied.

e) Functional Currency

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in TL, which is the functional currency of the Company, and the presentation currency for the condensed consolidated financial statements. Functional currency of Ortopro, Nevotek, Toksöz and Numnum, the subsidiaries of the Company, is TL.

The foreign exchange rates used by the Group as at 30 September 2013 and 31 December 2012 are as follows:

	<u>30 September 2013</u>	<u>31 December 2012</u>
United States Dollar	2.0342	1.7826
Euro	2.7484	2.3517

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2. BASIS OF PRESENTATION (continued)

2.1 Basis of Presentation (continued)

f) Comparative Information

The Group’s condensed consolidated interim financial statements are prepared including comparative information in order to enable readers to understand the trends in the financial position and performance of the Group. The change in presentation or reclassification of the financial statement items is applied retrospectively and the reclassifications made in the prior periods financial information are disclosed if required.

g) Restatement of prior period financial statements

With the decision numbered 20/670 taken on 7 June 2013, the CMB announced that, effective from the interim periods after 31 March 2013, ‘illustrative financial statement and user guide’ have been published for the capital market participants which are in scope of Communiqué on Basis of Financial Reporting on Capital Markets. In this respect reclassifications have been applied to Group consolidated financial statements. Reclassifications in the consolidated statement of financial position as at 31 December 2012 and consolidated profit or loss and other comprehensive income as at 30 September 2012 are as follows:

- Borrowings amounting TL 6,341,027 is reclassified from current borrowings to short term portion of long term liabilities
- Social security taxes payable amounting TL 559,218 and salaries amounting to TL 769,016 are reclassified respectively from other payables and employee benefits to employee benefit payables.
- Debt provisions amounting TL 595,618 reclassified from other current liabilities to other short term provisions.
- Revenue from increase in value of financial assets, fair value changes of financial assets that are recognised in profit/loss, trading income and dividend income amounting to TL 9,414,999 are classified under income from investing activities. Impairment of securities and loss on sale of marketable securities amounting to TL 296,041 are reclassified as expenses from investing activities.
- Share of profit of equity-accounted investees amounting to TL 4,741,233 is classified under operating profit.
- interest income from cash and cash equivalents assets, trading income and income from fair value changes through profit/loss amounting to TL 7,369,297 are reclassified under finance income. Interest expense amounting to TL 5,572,269 is reclassified as finance costs.

2.2 Statement of Compliance

The condensed consolidated interim financial statements of the Group have been prepared in accordance with CMB Financial Reporting Standards the numbered Communiqué II-14.1 which announced by the CMB on 13 June 2013, which is published on Official Gazette numbered 28676 as issued by the CMB.

In this respect companies which are reporting in accordance with CMB regulation, applies Turkish Accounting Standards / Turkish Financial Reporting Standards (“TFRS/TAS”) and related interpretations issued by Public Oversight Accounting and Auditing Standards Authority of Turkey (“POAS”).

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2. BASIS OF PRESENTATION (continued)

2.3 Changes in Accounting Policies

The Group early adopted TAS 19 *Employee Benefits* (2011) with a date of initial application of 1 January 2013 and changed the basis for determining the income or expense related to defined benefit obligations.

The Group has adopted TFRS 10 *Consolidated Financial Statements*, TFRS 11 *Joint Arrangements* and TFRS 12 *Disclosure of Interests in Other Entities*, as well as the consequential amendments to TAS 28 *Investments in Associates and Joint Ventures*, with a date of initial application of 1 January 2013.

a) Defined benefit obligation

As a result of the change, actuarial differences recognized in other comprehensive income in accordance with TAS 19 (2011).

As a result of this change, the Group accounted net of tax actuarial gain / (loss) in other comprehensive income which arises for employee severance payments. Previously, the Group recognized the actuarial gain / (loss) in the ‘cost of sales’ and ‘operating expenses’, tax effect of actuarial gain / (loss) recognized in the tax expense. This change in accounting policy has been applied retrospectively. Consequently, employee benefit expenses decreased in profit and loss and therefore actuarial differences in other comprehensive income increased by TL 141,813 for the nine month period ended 30 September 2013 (31 December 2012: TL 475,688).

The table below summarises the changes in condensed consolidated statement of financial position as of 31 December 2012 and the condensed consolidated statement of profit or loss and other comprehensive income for the nine month period ended 30 September 2012.

	Reported as of 1 January 2013	Effect of change in accounting policy	Restated balance as of 1 January 2013
Administrative expenses	920,214	(475,688)	444,526
Tax expense	(169,255)	85,254	(84,001)
Profit / Loss	51,285,262	390,434	51,675,696
Non-controlling interests	1,199,439	214,681	1,414,120
Owners of the Company	50,085,823	175,753	50,261,576
Retained earnings	62,796,285	(175,753)	62,620,532
Other Comprehensive Income			
Remeasurements of the defined employee benefit liability	-	(475,688)	(475,688)
Tax on items that would be recognized in other comprehensive income	-	85,254	85,254
Total comprehensive income	-	(390,434)	(390,434)

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2. BASIS OF PRESENTATION (continued)

2.3 Changes in Accounting Policies (continued)

	Reported as of 1 January 2012	Effect of change in accounting policy	Restated balance as of 1 January 2012
Administrative expenses	236,085	(141,813)	94,272
Tax expense	(42,990)	27,452	(15,538)
Profit / Loss	42,233,467	114,361	42,347,828
Non-controlling interests	210,763	73,562	284,325
Owners of the Company	42,022,704	40,799	42,063,503
Retained earnings	43,651,570	(40,799)	43,610,771
Other Comprehensive Income			
Remeasurements of the defined employee benefit liability	-	(141,813)	(141,813)
Tax on items that would be recognized in other comprehensive income	-	27,452	27,452
Total comprehensive income	-	(114,361)	(114,361)

Change in accounting policy did not have an impact to net assets as of 31 December 2012 and its impact on the comparative periods, earnings per share is insignificant.

b) Subsidiaries

In accordance with TFRS 10, the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees.

In accordance with the transitional provisions of TFRS 10, the Group reassessed the control conclusion for its investees at 1 January 2013. As a consequence, the Group has not changed and it does not affect assets and liabilities and comprehensive income of the Group.

c) Joint arrangements

In accordance with the adoption of TFRS 11, the Group has changed its accounting policy of interest in joint arrangement

Under TFRS 11, the Group has reclassified its interests in joint arrangements as either joint operations (if the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement) or joint ventures (if the Group has rights only to the net assets of an arrangement). When making this assessment, the Group considered the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances. Previously, the structure of the arrangement was the sole focus of classification.

The Group has re-evaluated its involvement in its only joint arrangement and has reclassified the investment from a jointly controlled entity to a joint venture. Notwithstanding the reclassification, the investment continues to be recognized by applying the equity method and there has been no impact on the recognized assets, liabilities and comprehensive income of the Group.

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2. BASIS OF PRESENTATION (continued)

2.4 Changes in Accounting Estimates and Errors

Effect of changes in accounting estimates, if it is only related to one period, is recognized in the period that the change is made, if it is related with the future periods, is recognized in the current period and also in future periods, prospectively. There is not any significant change in Group’s accounting estimates in the current period.

Material accounting errors are corrected retrospectively and the prior period financial statements are restated accordingly. There is not any significant accounting error detected in the current period.

2.5 Summary of Significant Accounting Policies

The Group's accounting policies used in the preparation of these condensed consolidated interim financial statements except for the adoption of the new standards and amendments, which are effective from 1 January 2013 are consistent with those applied in the Group’s consolidated financial statements as at and for the year ended 31 December 2012. The consolidated financial statements of the Group should be evaluated in conjunction with the annual financial statements as at 31 December 2012.

2.6 Critical Accounting Estimations and Assumptions

The preparation of condensed consolidated interim financial statements requires Group management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimations.

There is not any significant change in the application of accounting policies when preparation of condensed consolidated interim financial statements that is based on the Group management estimations and assumptions.

2.7 Standards and interpretations those are not yet effective as at 30 September 2013

- *TFRS 9 Financial Instruments*

TFRS 9 (2010) introduces new requirements for classification and measurement of financial liabilities. The amendments to TFR 9 (2011) will affect the classification and measurement of the financial assets measured at fair value through profit or loss. The fair value change that is attributable to changes in the liability’s credit risk is recognised directly in other comprehensive income. The amendments are effective for annual periods beginning on or after 1 January 2015 with early adoption permitted. The Group does not plan to early adopt these standards and the effects of adoption has not been evaluated yet.

- *TAS 32 Financial Instruments: Presentation (amendment): Offsetting financial assets and financial liabilities*

The amendment clarifies the terminology of “when an entity currently has a legally enforceable right to set off recognized amounts” and “when gross settlement is equivalent to net settlement”. The amendment also clarifies the certain aspects of applying the offsetting criteria that include “when an entity intends either to settle on a net basis”, or “to realize the asset and settle the liability simultaneously”. The amendment is effective for annual periods beginning on or after 1 January 2014 and is to be applied retrospectively. Earlier application is permitted if an entity also makes the disclosures required by the amendments to TFRS 7. The Group does not plan to early adopt the amendment and the effects of adoption has not been evaluated yet.

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3. OPERATING SEGMENTS

	Private equity		IT, audio and communication systems		Orthopaedics, medical and surgical equipments		Wholesale and retail sales of sports wearing equipments		Restaurant management		Total continuing operations	
	1 January-30 September 2013	1 January-30 September 2012	1 January-30 September 2013	1 January-30 September 2012	1 January-30 September 2013	1 January-30 September 2012	1 January-30 September 2013	1 January-30 September 2012	1 January-30 September 2013	1 January-30 September 2012	1 January-30 September 2013	1 January-30 September 2012
Revenue	100,621,946	18,996,741	6,425,418	9,157,507	12,532,361	11,775,031	81,537,090	-	21,219,887	-	222,336,702	39,929,279
Cost of Sales	(27,866,250)	(5,596,706)	(3,014,851)	(3,704,629)	(6,125,018)	(6,816,329)	(50,824,789)	-	(17,156,224)	-	(104,987,132)	(16,117,664)
Profit/(loss) before tax	75,317,399	33,046,850	(2,253,205)	(1,754,529)	(1,584,227)	(1,751,106)	176,992	-	(1,315,837)	-	70,341,122	29,541,215
Current tax income/expense	-	-	(133,837)	-	-	-	(448,989)	-	-	-	(582,826)	-
Deferred tax income/expense	-	-	-	-	(82,575)	615,225	160,940	-	189,019	-	267,384	615,225
Profit/(loss) from continuing operations	75,317,399	33,046,850	(2,387,042)	(1,754,529)	(1,666,802)	(1,135,881)	(111,058)	-	(1,126,818)	-	70,025,679	30,156,440
Profit from discontinued operations (*)	-	-	-	-	-	4,202,485	-	-	-	-	-	4,202,485
Profit for the period	75,317,399	33,046,850	(2,387,041)	(1,754,529)	(1,666,802)	3,066,604	(111,058)	-	(1,126,817)	-	70,025,679	34,358,925
Non-controlling interests											(2,156,913)	2,031,073
Owners of the Company											72,182,592	32,327,852
											70,025,679	34,358,925

(*)Ortopro, the subsidiary of the Group, has sold Orsem Ortopedik Aletler ve Medikal Cihazlar Sanayi ve Ticaret A.Ş. (“Orsem”) at 30 March 2012 and classified its operations for the three month period ended as discontinued operations in the statement of profit or loss and other comprehensive income.

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3. OPERATING SEGMENTS (continued)

30 September 2013	Private equity	IT, audio and communic ation systems	Orthopaedics , medical and surgical equipments	Wholesale and retail sales of sports wearing equipments	Restaurant management	Consolidation adjustments	Total
Segment assets	263,316,710	12,875,856	34,454,439	87,871,496	26,977,762	19,909,284	445,405,547
Segment liabilities	(2,589,552)	(7,274,572)	(24,822,919)	(88,898,759)	(15,539,866)	(3,802,825)	(142,928,493)
31 December 2012	Private equity	IT, audio and communic ation systems	Orthopaedics , medical and surgical equipments	Wholesale and retail sales of sports wearing equipments	Restaurant management	Consolidation adjustments	Total
Segment assets	202,794,182	12,901,774	33,641,933	75,727,032	20,811,548	26,657,358	372,533,827
Segment liabilities	(3,029,975)	(4,060,826)	(22,645,454)	(78,518,737)	(9,275,216)	(4,152,784)	(121,682,992)

4. SALE OF NON CONTROLLING INTEREST

On 10 September 2013, group, within the framework of provisions of the Capital affiliates, Share Transfer and Shareholders agreement which was signed in 27 June 2012, company transferred 425,782 shares which forms 2.5% of paid up capital to Şamil Toksöz and Kamil Toksöz without charge whom are shareholders of Toksöz Spor. Group recorded TL 172,831 decrease in other reserves recorded and same amount of increase in non controlling interest.

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5. SEASONALITY OF OPERATIONS

In 30 July 2013, Group sold its' all shares in Aras Cargo which are recorded 27,866,249 TL (Group's share in net assets is 8,664,311 TL and goodwill is 19,201,938TL) to Post 206 Beteiligungs GmbH for 100,000,000 TL, on 13 September 2013 group sold its' all shares in Türkmed which are recorded zero to Mr. Basri Yılmaz for 500,000 TL. Group gained 72,133,751 TL and 500,000 TL through these transactions in respective order. For group's investments and for sales of these investments which are valued through capital stock method see Note 11 for further information.

Operations of the Group did not significantly affected by seasonality. However, the Group acquired its subsidiaries Toksöz on 13 November 2012 and Num Num on 5 December 2012. Wholesale and retail sales of sports wearing equipments segment which has not been in comparative period for nine months period ended 30 September 2013, recognised administrative expenses and selling and marketing expenses amounting to TL 13,044,352 and TL 13,949,764, respectively. For the nine months period ended 30 September 2013, restaurant management segment has general administrative expenses amounting to TL 4,468,845. Please see Note 3 for the Group's revenues and cost of sales in each segment.

6. RELATED PARTIES

The Company's ultimate shareholder is Türkiye İş Bankası A.Ş..

Since the transactions made between the Company and its subsidiary is eliminated during consolidation, they are not disclosed in this note.

Trade receivables from related parties generally stem from sales transactions and their maturities are approximately 2 months. Receivables are unsecured by their nature and free of interest.

Trade payables to related parties generally stem from purchase operations and their approximate maturities are 2 months. Payables are free of interest.

Key management compensation:

Benefits provided to key management during the period is as follows:

	1 January- 30 September 2013	1 July- 30 September 2013	1 January - 30 September 2012	1 July-- 30 September 2012
Wage and other benefits	5,634,501	1,736,298	3,711,459	1,193,585
	5,634,501	1,736,298	3,711,459	1,193,585

Key management compensation includes wage, bonus, insurance and some benefits

The details of the transactions between the Group and other related parties are as follows:

	30 September 2013	31 December 2012
Investment funds		
İş Yatırım Menkul Değerler A.Ş. Notus Portföy B Type Variable Fund	5,283,024	-
İş Yatırım Menkul Değerler A.Ş. İstanbul PortföyFree Fund	6,401,766	-
İş Yatırım Menkul Değerler A.Ş. Leveraged Equity Free Fund	-	341,949
İş Yatırım Menkul Değerler A.Ş. Logos Dinamik Free Fund	-	1,514,192
İş Yatırım Menkul Değerler A.Ş. A Type Fund	3,602,989	3,897,495
İş Yatırım Menkul Değerler A.Ş. Ark Free Fund	3,775,200	774,660
İş Yatırım Menkul Değerler A.Ş. Ashmore A Type Fund	208,284	216,114
İş Yatırım Menkul Değerler A.Ş. Ashmore B Type Variable Multistrategy Fund	-	1,141,453
İş Yatırım Menkul Değerler A.Ş. B Type Variable Fund	-	673,720
	19,271,263	8,559,583

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6. RELATED PARTIES (continued)

			30 September 2013	31 December 2012
Private sector bonds				
T. İş Bankası A.Ş.			4,747,734	8,118,989
İş Yatırım Menkul Değerler A.Ş.			-	4,403,313
İş Finansal Kiralama A.Ş.			4,008,130	1,000,000
			<u>8,755,864</u>	<u>13,522,302</u>
Shares quoted to stock exchange				
			30 September 2013	31 December 2012
İş Yatırım Ortaklığı A.Ş.			<u>4,983,255</u>	<u>5,969,526</u>
Cash and cash equivalents				
			30 September 2013	31 December 2012
Türkiye İş Bankası A.Ş. Time Deposit			80,956,096	27,126,265
Türkiye İş Bankası A.Ş. Demand Deposit			460,899	7,258,215
İş Yatırım Menkul Değerler A.Ş. B Type Short-term Treasury-Bond Fund			4,964,444	4,217,940
İş Yatırım Menkul Değerler A.Ş. Bosphorus Capital B Short-term Treasury-Bond Fund			2,756,835	-
İş Yatırım Menkul Değerler A.Ş. İstanbul Portföy B Type Short-term Treasury-Bond Fund			10,607,124	-
Türkiye İş Bankası A.Ş. Liquid Fund			184,425	163,199
			<u>99,929,823</u>	<u>38,765,619</u>
30 September 2013				
Borrowings from Related Parties	Original currency	Interest rate %	Short term	Long term
Türkiye İş Bankası A.Ş.	TL, USD TL, Euro	3.90-9.60	3,089,839	54,953,482
İş Finansal Kiralama A.Ş.	USD	8.05-14.50	670,181	1,115,928
Türkiye Teknoloji Geliştirme Vakfı	USD	-	85,265	-
			<u>3,845,285</u>	<u>56,069,410</u>
31 December 2012				
Borrowings from Related Parties	Original currency	Interest rate %	Short term	Long term
Türkiye İş Bankası A.Ş.	TL TL, Euro	0-13.50	6,202,334	369,694
İş Finansal Kiralama A.Ş.	USD	8.05-14.50	637,465	1,299,062
Türkiye Teknoloji Geliştirme Vakfı	USD	-	115,261	74,718
			<u>6,955,060</u>	<u>1,743,474</u>

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6. RELATED PARTIES (continued)

Balances with related parties	30 September 2013			
	Receivables		Payables	
	Short term		Short term	
	Trade	Other	Trade	Other
ATT Technology Management BV	-	-	(27,484)	-
Meg Elektronik Bilgi ve İletişim Sis. A.Ş.	-	-	(13,632)	-
İş Merkezleri Yönetim ve İşletim A.Ş.	-	-	(1,789)	-
Anadolu Anonim Türk Sigorta Şirketi	-	-	(24,277)	-
Mehmet Gürs (*)	-	-	(500,000)	-
	-	-	(567,182)	-

Balances with related parties	31 December 2012			
	Receivables		Payables	
	Short term		Short term	
	Trade	Other	Trade	Other
Türkmed	7,080	-	-	-
ATT Technology Management BV	-	-	(120,044)	-
İş Merkezleri Yönetim ve İşletim A.Ş.	-	-	(1,689)	-
Anadolu Anonim Türk Sigorta Şirketi	-	-	(2,222)	-
	7,080	-	(123,955)	-

Balances with related parties	30 September 2013			
	Receivables		Payables	
	Long term		Long term	
	Trade	Other	Trade	Other
Mehmet Gürs (*)	-	-	(500,000)	-
T. İş Bankası A.Ş.	-	150	-	-
	-	150	(500,000)	-

Balances with related parties	31 December 2012			
	Receivables		Payables	
	Long term		Long term	
	Trade	Other	Trade	Other
Mehmet Gürs (*)	-	-	(1,000,000)	-
Other	-	-	(9)	-
	-	-	(1,000,009)	-

(*) The Group has acquired 59.459 shares with a nominal value of TL 59,459 from Mehmet Gürs representing 19.244 % of Num Num's pre- investment share capital amounting to TL 308,975 by making a total payment of TL 4,000,000, of which TL 3,000,000 is paid in cash and TL 1,000,000 in installments. Payables amounting TL 500,000 will pay on January 2014 and the rest of is on January 2015.

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6. RELATED PARTIES (continued)

Transactions with related parties	1 January – 30 September 2013							
	Interest received	Interest paid	Service costs	Insurance costs	Transaction and advisory commission expenses	Rent expense	Other income	Other expenses
Türkmed	-	-	-	-	-	-	14,000	-
Aras Kargo	-	-	(1,105)	-	-	-	107,946	-
T. İş Bankası A.Ş.	1,103,294 (*)	(178,887)	(525)	-	(60,375)	-	2,827	-
İş Finansal Kiralama A.Ş.	-	(833,440 (**))	-	-	-	-	-	-
İş Faktoring Finansman Hizmetleri A.Ş.	-	-	-	-	-	-	-	-
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	-	-	-	-	-	(272,579)	-	-
İş Yatırım Menkul Değerler A.Ş.	-	-	-	-	(237,590)	-	-	-
İş Merkezleri Yönetim ve İşletim A.Ş.	-	-	-	-	-	-	-	(93,776)
Anadolu Anonim Türk Sigorta Şirketi	-	-	-	(133,736)	-	-	-	-
ATT Technology Management BV	-	-	-	-	-	-	-	(79,126)
Meg Elektronik Bilgi ve İletişim Sistemleri	-	-	-	-	-	-	-	(74,734)
İş Net Elektronik Bilgi Üretim Dağıtım Ticaret ve İletişim Hizmetleri A.Ş.	-	-	(5,736)	-	-	-	-	-
Evre Gayrimenkul İnş. Ve Dan.	-	-	-	-	-	(300,000)	-	-
	<u>1,103,294</u>	<u>(1,012,327)</u>	<u>(7,366)</u>	<u>(133,736)</u>	<u>(297,965)</u>	<u>(572,579)</u>	<u>124,773</u>	<u>(247,636)</u>

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6. RELATED PARTIES (continued)

1 January – 30 September 2012

Transactions with related parties	Interest received	Interest paid	Service costs	Insurance costs	Transaction and advisory commission expenses	Rent expense	Other income	Other expenses
Türkmed	-	-	-	-	-	-	18,000	-
Aras Kargo	-	-	(1,116)	-	-	-	164,841	-
T. İş Bankası A.Ş.	1,895,774 (*)	(73,740)	-	-	(3,411)	-	-	-
İş Faktoring Finansman Hizmetleri A.Ş.	-	(35,725)	-	-	-	-	-	-
İş Finansal Kiralama AŞ	-	-	-	-	-	-	-	-
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	-	-	-	-	-	(265,651)	-	-
İş Yatırım Menkul Değerler A.Ş.	-	-	-	-	(244,433)	-	-	-
İş Merkezleri Yönetim ve İşletim A.Ş.	-	-	-	-	-	-	-	(106,241)
Anadolu Anonim Türk Sigorta Şirketi	-	-	-	(115,560)	-	-	-	-
ATT Technology Management BV	-	-	-	-	-	-	-	(199,021)
Meg Elektronik Bilgi ve İletişim Sistemleri	-	-	-	-	-	-	-	(13,807)
İş Net Elektronik Bilgi Üretim Dağıtım Ticaret ve İletişim Hizmetleri A.Ş.	-	-	(5,411)	-	-	-	-	-
	1,895,774	(109,465)	(6,527)	(115,560)	(247,844)	(265,651)	182,841	(319,069)

(*)The interests income from T. İş Bankası A.Ş. is comprised of Group's interest income from deposits and other investments.

(**)The payable is related with the tangible assets that are acquired via finance lease from İş Finansal Kiralama A.Ş.

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7. CASH AND CASH EQUIVALENTS

	30 September 2013	31 December 2012
Cash on hand	124,375	141,861
Cash at banks	86,697,445	35,588,840
Demand deposit	2,679,406	8,372,653
Time deposits with maturities less than 3 months	84,018,039	27,216,187
Other liquid assets	1,849,435	77,707
B type liquid fund	18,512,829	4,381,139
Receivables from reverse repo	-	613,214
	<u>107,184,084</u>	<u>40,802,761</u>

Reconciliation between the elements comprises cash and cash equivalents in the statement of financial position and statement of cash flows:

	30 September 2013	31 December 2012
Cash and cash equivalents	107,184,084	50,144,779
Less: Accrued interest	(904,702)	(164,962)
Less: Blocked amount	-	(446,175)
	<u>106,279,382</u>	<u>49,533,642</u>

As at 30 September 2013 and 31 December 2012 interest and maturity details of the bank deposits are as follows:

30 September 2013				
	Interest Rate		Currency	Amount
	%	Maturity		TL
TL Time Deposit	6.75	1 October 2013	TL	43,000
TL Time Deposit	9.25	8 October 2013	TL	5,206,019
TL Time Deposit	9.80	10 October 2013	TL	70,469,863
TL Time Deposit	9.50-9.90	30 October 2013	TL	8,299,157
				<u>84,018,039</u>

31 December 2012				
	Interest Rate		Currency	Amount
	%	Maturity		TL
TL Time Deposit	5.25-5.50	2 January 2013	TL	5,046,399
TL Time Deposit	8.00-8.05	14 January 2013	TL	12,076,455
TL Time Deposit	8.25	25 January 2013	TL	10,018,333
TL Time Deposit	5.00	2 February 2013	TL	75,000
				<u>27,216,187</u>

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8. INVESTMENT SECURITIES

	30 September 2013	31 December 2012
Financial assets designated at fair value through profit or loss	111,001,549	101,216,342
	<u>111,001,549</u>	<u>101,216,342</u>
	30 September 2013	
	Nominal(*)	Fair Value
Government bonds	43,700,000	48,783,949
Investment funds (Note 5)	1,235,975,264	19,271,263
Private sector bonds	37,741,167	37,963,082
Shares quoted to stock exchange (Note 5)	5,190,891	4,983,255
		<u>111,001,549</u>
	31 December 2012	
	Nominal(*)	Fair Value
Government bonds	46,000,000	51,829,690
Investment funds (Note 5)	321,865,255	8,559,583
Private sector bonds	34,931,167	34,857,543
Shares quoted to stock exchange (Note 5)	5,190,891	5,969,526
		<u>101,216,342</u>

(*) Nominal values of investment funds and securities quoted in an active market are presented in units, government bonds and private sector bonds are presented in TL.

As at 30 September 2013, interest rates of private sector bonds and government bonds held for trading are between the rates 6.56% and 12.39 % per annum (31 December 2012: between 4.48%-10.19% per annum).

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9. LOANS AND BORROWINGS

Loans and Borrowings	30 September 2013	31 December 2012
Short term bank loans	19,495,491	41,955,411
Short term finance lease liabilities	536,616	884,443
Short term factoring payables	4,165,912	1,648,440
Total Short Term Loans and Borrowings	24,198,019	44,488,294
Short term portion of long term bank loans	15,657,901	5,121,336
Short term portion of long term finance lease liabilities	803,341	1,219,691
Total Short Term Portion of Long Term Loans and Borrowings	16,461,242	6,341,027
Long term bank loans	44,229,361	18,046,538
Long term finance lease liabilities	1,521,313	2,782,132
Total Long Term Loans and Borrowings	45,750,674	20,828,670
Total	86,409,935	71,657,991

Currency	Interest	30 September 2013	
		Short term	Long term
Secured TL loans	9.00-10.50	16,723,549	37,006,472
Unsecured TL loans	8.75-14.00	12,977,233	6,907,901
Secured USD loans	-(*)	85,625	-
Unsecured USD loans	3.90-7.20	5,367,345	314,988
Finance lease liabilities	8.05-14.50	1,339,957	1,521,313
Factoring payables	13.00-18.50	4,165,912	-
		40,659,261	45,750,674

Currency	Interest rate %	31 December 2012	
		Short term	Long term
Secured TL loans	8.00-14.50	26,378,407	17,097,130
Unsecured TL loans	8.00-14.00	19,084,754	369,694
Secured USD loans	-(*)	115,261	74,718
Unsecured USD loans	4.90-7.20	1,477,838	504,996
Unsecured Euro loans	4.50	20,486	-
Finance lease liabilities	8.05-26.20	2,104,134	2,782,132
Factoring payables	13.00-18.50	1,648,440	-
		50,829,321	20,828,670

(*)Group has an interest free borrowing taken from Technology Development Foundation of Turkey on project basis.

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9. LOANS AND BORROWINGS (continued)

The repayment plans of bank loans and borrowings and factoring payables are as follows:

	30 September 2013	31 December 2012
0-1 year	39,319,304	48,725,187
1-2 years	14,464,582	4,157,099
2-5 years	27,114,830	8,420,106
5-10 years	2,649,949	5,469,334
	<u>83,548,665</u>	<u>66,771,726</u>

Finance lease liabilities are payable as follows:

	30 September 2013	
	Future minimum lease payments	Present value of minimum lease payments
0-1 year	1,544,042	1,339,957
1-2 years	933,588	770,256
2-5 years	893,895	751,057
Future financial expenses	(510,255)	-
Present value of finance lease liability	<u>2,861,270</u>	<u>2,861,270</u>

	31 December 2012	
	Future minimum lease payments	Present value of minimum lease payments
0-1 year	2,497,084	2,104,134
1-2 years	2,089,421	1,617,838
2-5 years	1,553,617	1,164,294
Future financial expenses	(1,253,856)	-
Present value of finance lease liability	<u>4,886,266</u>	<u>4,886,266</u>

The Group acquires tool set and production machines for the sector of orthopaedics medical and surgical and furniture and fixtures for the restaurants via finance lease. As at contract date the interest rate related to finance lease transactions is fixed for the whole leasing period. Average yearly effective interest rate for contracts in Euro is 11.22%, for contracts in US Dollar is 8.05%, for contracts in TL is between 9.60% and 14.90%. (31 December 2012: Average yearly effective interest rate for contracts in Euro is 11.22%, for contracts in US Dollar is 8.05%, for contracts in TL is 14.50%-26.2%). As at 30 September 2013 the finance lease liabilities to İş Finansal Kiralama A.Ş. is amounting to TL 1,786,110 and of which interest rate is between 8.05% and 14.5% (31 December 2012: TL 1,936,527, interest rate: 8.05% and 14.5%) (Note 6).

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10. TRADE RECEIVABLES

At the end of the reporting period, the details of trade receivables are as follows:

	30 September 2013	31 December 2012
Current trade receivables		
Trade receivables	33,706,202	47,698,850
Notes receivable	6,146,201	7,489,048
Due from related parties (Not 5)	-	7,080
Other trade receivables	13,763,992	-
Doubtful receivables	3,135,552	3,149,477
Allowance for impairment losses on doubtful receivables (-)	(3,135,552)	(3,149,477)
	<u>53,616,395</u>	<u>55,194,978</u>

At the end of the reporting period, TL 11,949,749 of the Group’s trade receivables is overdue but not impaired (31 December 2012: TL 8,834,381). Trade receivables consist of various customers, from which the Group has not faced any collection risk recently.

As of 30 September 2013, the Group has allowance for possible losses on trade receivables amounting to TL 3,135,552 (31 December 2012: TL 3,149,477). The movement of Group’s allowance for impairment losses on doubtful receivables is as follows:

	1 January-30 September 2013	1 January-30 September 2012
Movements of allowance for impairment losses on doubtful receivables		
Opening balance	(3,149,477)	(1,394,980)
Business combination	-	(897,169)
Disposal due to discontinued operations (Not 19)	-	723,009
Receivables written-off	-	1,394,980
Charge for the period	(594,114)	(23,102)
Collections	608,039	-
Closing balance	<u>(3,135,552)</u>	<u>(197,262)</u>

11. INVENTORIES

As of 30 September 2013 the balance of Group’s net inventories is amounting to TL 55,332,527 (31 December 2012: TL 41,242,332).

	1 January-30 September 2013	1 January-30 September 2012
Movement of allowance for impairment losses on inventories		
Opening balance	(2,015,991)	-
Business combination	-	(123,831)
Charge for the period	453,874	(226,441)
Disposal due to discontinued operations (Note 19)	-	81,164
Closing balance	<u>1,562,117</u>	<u>(269,108)</u>

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12. EQUITY-ACCOUNTED INVESTEEES

As of 30 September 2013 and 31 December 2012, the carrying value of the equity-accounted investees in the statement of financial position is as follows:

	30 September 2013	31 December 2012
Türkmed (*)	-	-
Aras Kargo (*)	-	23,565,589
	-	23,565,589

For the nine month period ended 30 September 2013 and 2012, Group’s share of profit of equity accounted investees in the comprehensive income table is as follows:

	1 January-30 September 2013	1 January-30 September 2012
Türkmed (*)	-	(44,640)
Aras Kargo (*)	4,300,659	5,427,523
Havaş Havalimanları Yer Hizmetleri A.Ş.	-	(641,650)
	4,300,659	4,741,233

(*) As of 30 September 2013, the Group has sold all shares owned in Türkmed. As of 31 December 2012, the carrying value of Türkmed in statement of financial position is zero.

(**) As of 30 September 2013, the Group has sold all shares owned in Aras Kargo. As of 31 December 2012, the carrying value of Aras Kargo in statement of financial position is TL 23,565,589. Significant shares on associates and joint ventures of the Group are as follows:

Türkmed

	30 September 2013	31 December 2012
Non-current assets	-	1,262,515
Current assets (included TL 654 cash and cash equivalents)	-	3,087,708
Non-current liabilities	-	(351,114)
Current liabilities (included TL 1,775,331 trade payables, other payables and debt provisions)	-	(4,366,759)
Net assets	-	(367,650)
The Group’s share in net assets	-	25.78%
Carrying value in the statement of financial position	-	-

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12. EQUITY-ACCOUNTED INVESTEEES (continued)

Aras Kargo

	30 September 2013	31 December 2012
Non-current assets	-	163,767,227
Current assets (included TL 34,943,711 cash and cash equivalents)	-	106,344,249
Non-current liabilities	-	(88,260,977)
Current liabilities (included TL 109,459,573 trade payables, other payables and debt provisions)	-	(160,032,232)
Net assets	-	21,818,267
The Group's share in net assets	-	% 20
Carrying value in the statement of financial position (*)	-	4,363,651

Aras Kargo

	30 September 2013	31 December 2012
Revenue	-	458,050,080
Amortization and depreciation expense	-	10,609,267
Tax expense/income	-	16,062,015
Profit for the period	-	35,059,995
Other comprehensive income	-	-
Total comprehensive income	-	35,059,995
The Group's share of the profit for the period	4,300,659	5,247,522

Goodwill on equity-accounted investees

	30 September 2013	31 December 2012
Türkmed	-	1,616,818
Türkmed goodwill impairment	-	(1,616,818)
Aras Kargo	-	19,201,938
	-	19,201,938

The Group has calculated recoverable amount by using discounted cash flow method and average value received with multiplier obtained by division of the value of companies that have similar business activities to net sales or to net profit before tax interest and amortization. Group annually assesses to determine whether goodwill is impaired or not at the year ends.

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13. PROPERTY AND EQUIPMENT

As of 30 September 2013, the Group’s property and equipments are amounting to TL 17,029,395(31 December 2012: TL 11,218,825). For the nine-month period ended 30 September 2013, acquisitions of tangible assets that majorly composed of leasehold improvements and fixtures are amounting to TL 8,144,249 (30 September 2012: TL 2,743,380 acquisition of tangible assets, TL 11,328,030 business combination). For the nine-month period ended 30 September 2013, depreciation expense is amounting to TL 2,229,212 (30 September 2012: TL 945,791 charge for the period, TL 5,349,120 business combination). For the nine-month period ended 30 September 2013, the net carrying value of the disposals of tangible assets is amounting to TL 344,357 (30 September 2012: TL 765,540 and TL 1,066,800 from discontinued operations).

14. INTANGIBLE ASSETS

As of 30 September 2013, the goodwill of subsidiary that classified as intangible assets is TL 58,432,639 (31 December 2012: TL 58,432,639).

As of 30 September 2013, the Group’s intangible assets are amounting to TL 26,166,593 (31 December 2012: TL 29,409,963). For the nine-month period ended 30 September 2013, acquisitions of intangible assets are amounting to TL 925,505 (as of 30 September 2012, intangible assets amounting to TL 3,336,270 has been recognized regarding to business combination and TL 3,206 has been recognized to acquisition of intangible asset). For the nine-month period ended 30 September 2013, amortization expense amounting to TL 4,165,995 is realised (30 September 2012: TL 72,069 charge for the period and TL 661,795 for business combination). For the nine-month period ended 30 September 2013, disposal of intangible assets amounting TL 2,881.(As of 30 September 2012 intangible assets amounting to TL 127,548 are disposed due to discontinued operations).

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15. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Collateral / Pledge/ Mortgage (“CPM”)

As of 30 September 2013 and 31 December 2012 the Group’s collateral, pledge and mortgage (CPM) position is disclosed in the following chart:

	30 September 2013				31 December 2012			
	Original Amount				Original Amount			
	Total TL Equivalent	TL Amount	USD Dollar Amount	Euro Amount	Total TL Equivalent	TL Amount	USD Dollar Amount	Euro Amount
A. CPM given for companies own legal personality	8,027,490	6,624,011	347,901	253,158	3,841,679	2,587,336	500,494	154,000
B. CPM given in behalf of fully consolidated companies	-	-	-	-	306,440	306,440	-	-
C. CPM given for continuation of its economic activities on behalf of third parties (*)	18,282,000	18,282,000	-	-	17,145,000	17,145,000	-	-
D. Total amount of other CPM’s	-	-	-	-	-	-	-	-
Total CPM	26,309,490	24,906,011	347,901	253,158	21,293,119	20,038,776	500,494	154,000

Proportion of CPM to the Group’s equity as of 30 September 2013 is 0 %. (31 December 2012: 0%).

(*) TL 18,282,000 is comprised of warranty given by the Group for sale of Orsem Ortopedik Aletler ve Medikal Cihazlar Sanayi ve Ticaret Anonim Şirketi (“Orsem”) on 30 March 2012, and all the balances are in TL.

b) Provisions

As of 30 September 2013, the other short term provisions is composed of accrued expenses for invoiced but not yet received invoices and provision for credit card commissions amounting to TL 1,101,757 (31 December 2012: TL 595,618).

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16. CAPITAL AND RESERVES

a) Share Capital

As of 30 September 2013 and 31 December 2012 the Company's share capital structure is as follows:

Shareholders	Group	%	30 September 2013	%	31 December 2012
İş Yatırım Menkul Değerler A.Ş.	A	8.9	5,924,800	8.9	5,152,000
İş Yatırım Menkul Değerler A.Ş.	B	20.1	13,409,388	20.1	11,660,337
Türkiye Teknoloji Geliştirme Vakfı	B	11.1	7,405,999	11.1	6,440,000
Türkiye Sınai Kalkınma Bankası A.Ş.	B	16.7	11,108,999	16.7	9,660,000
Other	B	12	7,998,479	12	6,955,200
Publicly held	B	31.2	20,806,335	31.2	18,092,463
Nominal capital		100	66,654,000	100	57,960,000

As of 30 September 2013 the Company's share capital consists of 6.665.400.000 unit shares (31 December 2012: 5.796.000.000 shares). The par value of each share is TL 0.01 (31 December 2012: TL 0.01 per share).

b) Restricted reserves

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code, are not distributable to shareholders. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions. For the nine month period ended 30 September 2013, the Group transferred amounting to TL 3,690,859 to legal reserves.

c) Dividend distribution

In accordance with General Assembly resolution dated 3 May 2013, it is decided to distribute dividend amounting to TL 10,143,000 and to increase share capital amounting to TL 8,694,000 by adding dividend which will be distributed as bonus share. Bonus share distribution completed on 13 June 2013 and new capital share was registered on 28 June 2013. The distribution in cash completed on 10 May 2013 (31 December 2012: TL 12,600,000 dividend in cash, TL 7,560,000 bonus share distribution). In accordance with resolution dated 16 January 2013 in General Assembly of the Group, TL 7,360,920 have been decided to be distributed from extraordinary reserves and distribution was completed on 23 January 2013.

17. EARNINGS PER SHARE

	1 January- 30 September 2013	1 January- 30 September 2012
Earnings per share		
Weighted average number of shares available during the period (full amount) (*)	66,654,000	66,654,000
Total	66,654,000	66,654,000
Net profit for the year, attributable to the owners of the Company	72,182,592	32,327,852
Basic and diluted earnings per share (TL 1 nominal value)	1.082945	0.485010

(*)Increase in capital arising have been performed through internal resources and increase in number of shares is used in calculation of previous year earnings per share.

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18. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS

The Group’s risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as of 31 December 2012.

Foreign currency risk management

Foreign currency transactions arise exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts and balancing assets and liabilities in terms of foreign exchange.

The foreign currency denominated assets and liabilities of monetary and non-monetary items as at the end of the reporting period are as follows:

	TL (Functional Currency)	USD Dollar	Euro	GBP	Other
30 September 2013					
1. Trade receivables	9,997,283	4,524,422	283,343	-	27,069
2a. Monetary financial assets	410,572	83,942	85,285	1,451	304
2b. Non-monetary financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. CURRENT ASSETS	10,407,855	4,608,364	368,628	1,451	27,373
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. NON-CURRENT ASSETS	-	-	-	-	-
9. TOTAL ASSETS	10,407,855	4,608,364	368,628	1,451	27,373
10. Trade payables	(4,884,632)	(920,389)	(1,085,315)	(8,328)	(1,026)
11. Financial liabilities	(8,586,549)	(3,565,314)	(485,368)	-	-
12a. Other monetary financial liabilities	(26,454)	(10,517)	(1,838)	-	-
12b. Other non-monetary financial liabilities	-	-	-	-	-
13. SHORT TERM LIABILITIES	(13,497,635)	(4,496,220)	(1,572,521)	(8,328)	(1,026)
14. Trade payables	-	-	-	-	-
15. Financial liabilities	(1,206,074)	(284,612)	(228,175)	-	-
16a. Other monetary financial liabilities	-	-	-	-	-
16b. Other non-monetary financial liabilities	-	-	-	-	-
17. LONG TERM LIABILITIES	(1,206,074)	(284,612)	(228,175)	-	-
18. TOTAL LIABILITIES	(14,703,709)	(4,780,832)	(1,800,696)	(8,328)	(1,026)
19. Net asset/liability position of the off-balance sheet derivative instruments(19a-19b)	-	-	-	-	-
19a. Amount of asset type, off balance sheet foreign currency derivatives	-	-	-	-	-
19b. Amount of liability type, off balance sheet foreign currency derivatives	-	-	-	-	-
20. Net foreign currency asset liability position	(4,295,854)	(172,468)	(1,432,068)	(6,877)	26,347
21. Monetary items, net foreign currency asset/liability position (1+2a+5+6a-10-11-12a-14-15-16a)	(4,295,854)	(172,468)	(1,432,068)	(6,877)	26,347
22. Total fair value of financial instruments used to hedge foreign currency	-	-	-	-	-
23. The portion of the hedged amount of the foreign currency assets	-	-	-	-	-
24. The portion of the hedged amount of the foreign currency liabilities	-	-	-	-	-
25. Export	11,089,485	5,461,364	343,389	-	122,084
26. Import	11,634,500	1,965,071	3,148,795	78,712	16,700

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18. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS

Foreign currency risk management (continued)

	TL Karşılığı (Fonksiyonel para birimi)	ABD Doları	Avro	GBP	Diğer
31 December 2012					
1. Trade receivables	8,810,969	4,369,351	434,649	-	-
2a. Monetary financial assets	477,595	239,163	21,389	330	8
2b. Non-monetary financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. CURRENT ASSETS	9,288,564	4,608,514	456,038	330	8
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. NON-CURRENT ASSETS	-	-	-	-	-
9. TOTAL ASSETS	9,288,564	4,608,514	456,038	330	8
10. Trade payables	(3,927,728)	(856,654)	(1,012,750)	(59)	(6,858)
11. Financial liabilities	(2,555,970)	(899,003)	(405,412)	-	-
12a. Other monetary financial liabilities	(152,196)	(82,943)	(1,838)	-	-
12b. Other non-monetary financial liabilities	-	-	-	-	-
13. SHORT TERM LIABILITIES	(6,635,894)	(1,838,600)	(1,420,000)	(59)	(6,858)
14. Trade payables	-	-	-	-	-
15. Financial liabilities	(1,409,003)	(345,190)	(337,487)	-	-
16a. Other monetary financial liabilities	-	-	-	-	-
16b. Other non-monetary financial liabilities	-	-	-	-	-
17. LONG TERM LIABILITIES	(1,409,003)	(345,190)	(337,487)	-	-
18. TOTAL LIABILITIES	(8,044,897)	(2,183,790)	(1,757,487)	(59)	(6,858)
19. Net asset/liability position of the off-balance sheet derivative instruments(19a-19b)	-	-	-	-	-
19a. Amount of asset type, off balance sheet foreign currency derivatives	-	-	-	-	-
19b. Amount of liability type, off balance sheet foreign currency derivatives	-	-	-	-	-
20. Net foreign currency asset liability position	1,243,667	2,424,724	(1,301,449)	271	(6,850)
21. Monetary items, net foreign currency asset/liability position	-	-	-	-	-
(1+2a+5+6a-10-11-12a-14-15-16a)	1,243,667	2,424,724	(1,301,449)	271	(6,850)
22. Total fair value of financial instruments used	-	-	-	-	-
to hedge foreign currency	-	-	-	-	-
23. The portion of the hedged amount of the foreign currency assets	-	-	-	-	-
24. The portion of the hedged amount of the foreign currency liabilities	-	-	-	-	-
25. Export	24,211,408	11,112,075	754,063	-	4,333,488
26. Import	16,810,319	4,013,435	4,071,661	36,614	-

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18. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

Foreign currency risk management (continued)

Foreign currency risk sensitivity analysis

The Group is mainly exposed to foreign currency risks in US Dollar and Euro. The following table shows the Group’s sensitivity to a 10% increase and decrease in US Dollar and Euro. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the possible change in foreign exchange rates. The sensitivity analysis only includes outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number indicates an increase in profit / loss and other equity.

	30 September 2013			
	Profit / Loss		Equity	
	The appreciation of foreign currency	The depreciation of foreign currency	The appreciation of foreign currency	The depreciation of foreign currency
	10% appreciation / depreciation of TL against the U.S. Dollar			
1 - US Dollar net assets / liabilities	(35,083)	35,083	-	-
2- The part of the hedged US Dollar risk (-)	-	-	-	-
3- US Dollar net effect (1 +2)	(35,083)	35,083	-	-
	10% appreciation / depreciation of TL against Euro			
4 – Euro net assets / liabilities	(393,590)	393,590	-	-
5- The part of the hedged Euro risk (-)	-	-	-	-
6- Euro net effect (4 +5)	(393,590)	393,590	-	-
	10% appreciation / depreciation of TL against other currencies			
7 – Other currencies net assets / liabilities	(784)	784	-	-
8- The part of the hedged other currencies risk (-)	-	-	-	-
9- Other currencies net effect (7 +8)	(784)	784	-	-
TOTAL (3 + 6 +9)	(429,457)	429,457	-	-
	30 September 2012			
	Profit / Loss		Equity	
	The appreciation of foreign currency	The depreciation of foreign currency	The appreciation of foreign currency	The depreciation of foreign currency
1 - US Dollar net assets / liabilities	(91,346)	91,346	-	-
2- The part of the hedged US Dollar risk (-)	-	-	-	-
3- US Dollar net effect (1 +2)	(91,346)	91,346	-	-
4 – Euro net assets / liabilities	(273,042)	273,042	-	-
5- The part of the hedged Euro risk (-)	-	-	-	-
6- Euro net effect (4 +5)	(273,042)	273,042	-	-
7 – Other currencies net assets / liabilities	22,101	(22,101)	-	-
8- The part of the hedged other currencies risk (-)	-	-	-	-
9- Other currencies net effect (7 +8)	22,101	(22,101)	-	-
TOTAL (3 + 6 +9)	(342,287)	342,287	-	-

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18. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

Interest rate risk

Changes in market interest rates causing fluctuations in the prices of financial instruments of the Group's interest rate risk leads to the necessity to deal with. Interest rate risk sensitivity is related with the maturity mismatches of the Group's assets and liabilities.

The interest position of the Group as at 30 September 2013 and 31 December 2012 is as follows:

Interest Position Table

	30 September 2013	31 December 2012
Fixed interest rate financial instruments		
Financial assets at fair value through profit or loss	55,518,413	63,294,702
Time deposit	84,018,039	27,216,187
Financial liabilities (*)	(85,961,532)	(70,437,015)
	<u>53,574,920</u>	<u>20,073,874</u>
Various interest rate financial instruments		
Financial assets at fair value through profit or loss	31,228,618	23,392,531
Financial liabilities	-	-
	<u>31,228,618</u>	<u>23,392,531</u>

(*)The non-interest loans have been deducted from the total amount.

Fixed and variable income securities that are classified as designated at fair value through profit and loss in the Group's consolidated statement of financial position are exposed to price risk depending on interest rate changes. As of 30 September 2013 and 30 September 2012 according to the analysis that the Group calculated, effect on fixed and variable income securities' market value and the Group's net profit/loss, under the assumption that all other variables remain constant, in the case of 1% interest rate increase or decrease of TL denominated securities and Eurobonds, presented below:

30 September 2013			
Risk type	Risk rate	Risk direction	Impact on profit for the year
Interest rate risk	% 1	Increase	(1,863,700)
		Decrease	1,981,235
30 September 2012			
Risk type	Risk rate	Risk direction	Impact on profit for the year
Interest rate risk	% 1	Increase	(446,586)
		Decrease	550,691

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18. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)

Other price risk

Group's portfolio in equities and mutual funds, which are publicly traded, is exposed to price risk. According to the consolidated financial position as of 30 September 2013, in case of 10% increase/decrease, if all the other variables remain constant, in the value of stock investment that are in the Group's portfolio, with the effect of equity investment designated at fair value through profit or loss and stock-indexed investment fund, net profit would be TL 498,326 (30 September 2012: TL 519,089) lower/higher.

According to the consolidated financial position as of 30 September 2013, in case of 1% increase/decrease, if all the other variables remain constant, in the value of investment fund that are in the Group's portfolio, with the effect of investment funds designated at fair value through profit or loss, net profit would be TL 377,841 (30 September 2012: TL 103,025) lower/higher.

19. FINANCIAL INSTRUMENTS

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 liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- Second level: Other than the quoted prices defined in first level, the fair value of other financial assets and financial liabilities are determined in accordance with direct or indirect inputs used for the determination of observable current market transactions.
- Third level: The fair value of financial assets and financial liabilities are determined in accordance with the inputs that are not based on observable current market transactions.

Classification of fair values of financial assets and liabilities is as follows:

Financial assets	30 September 2013	Fair value hierarchy at the end of the reporting period		
		1st level TL	2nd.level TL	3rd level TL
Financial asset at fair value through profit or loss Cash and cash equivalents	111,001,549	111,001,549	-	-
(B type liquid funds)	18,512,829	18,512,829	-	-
Total	129,514,378	129,514,378	-	-

Financial assets	31 December 2012	Fair value hierarchy at the end of the reporting period		
		1st level TL	2nd.level TL	3rd level TL
Financial asset at fair value through profit or loss Cash and cash equivalents	101,216,342	101,216,342	-	-
(B type liquid funds)	4,381,139	4,381,139	-	-
(Reverse repurchase agreements)	613,214	613,214	-	-
Total	106,210,695	106,210,695	-	-

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20. DISCONTINUED OPERATIONS

As of 31 March 2012 Ortopro has sold 99% owned subsidiary, Orsem Ortopedik Aletler ve Medikal Cihazlar Sanayi ve Ticaret AŞ (Orsem), to a third party for an amount of TL 700,000. The results arising from discontinued operations are as follows:

Results of discontinued operation	30 September 2012
Revenue	4,777,195
Expenses	(4,831,084)
Results from operating activities	(53,889)
Tax	56,361
Results from operating activities, net of tax	2,472
Gain on sale of discontinued operations	3,995,018
Tax on gain on sale of discontinued operation	204,995
Gain on sale of discontinued operations, net of tax	4,200,013
Profit / (Loss) for the period	4,202,485
Basic and diluted earnings (loss) per share	0.063049

	30 September 2012
Cash flows used in discontinued operation	
Net cash used in operating activities	(335,566)
Net cash used in investing activities	(477,677)
Net cash from financing activities	-
Net cash used in discontinued operations	(813,243)

Effect of disposal on the financial position of the Group	Note	
Property, plant and equipment	13	(1,006,799)
Intangible assets	14	(127,548)
Inventories		(2,756,788)
Allowance for impairment losses on inventories	11	81,164
Deferred tax assets		(653,847)
Trade and other receivables		(14,782,566)
Allowance for impairment losses on doubtful receivables	10	723,009
Cash and cash equivalents		(1,177,677)
Loans and borrowings		7,333,321
Severance pay liability		8,160
Vacation pay liability		27,525
Trade and other payables		15,627,064
Net assets and liabilities		3,295,018
Consideration received, in cash		700,000
Cash and cash equivalents disposed of		(1,177,677)
Net cash outflow		(477,677)

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21. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR OTHER MATTERS

In the extraordinary general meeting held on 16 January 2013 the Articles of Association was changed and it was decided to distribute cash dividend. The payment of cash dividend amounting to TL 7,360,920 was started on 21 January 2013 and was completed on 23 January 2013. The results of extraordinary General Assembly Meeting was registered on 22 January 2013 and published at Turkish Trade Registry Gazette on 28 January 2013.

On 28 February 2013, Toksöz Spor merged with Ons Spor, Arena, Sportive and Tajmahal by fully taking over them without discontinuing in accordance to the clause 136 of Turkish Commercial Code and to the clauses 18, 19 and 20 of Corporate Tax Law. The new share capital of Toksöz Spor is TL 17,031,299 with a number of 17,03,299 shares having a par value of TL 1. There of 5,364,859 are A Group shares and 11,666,440 are B Group shares. This decision was registered in the Turkish Trade Registry Gazette numbered 8272 on 6 March 2013.

On 10 September 2013, the Group’s 2.5% share of Toksöz Spor, was transferred free of charge to shareholders; Şamil Toksöz and Kamil Toksöz according to the framework of provisions of the Company Capital Investments, Share Transfer and Investor Convention Agreement signed on 27 June 2012. According to that, Group’s share of Toksöz Spor capital, decreased from 58.50% to 56%.

The results of the Ordinary General Assembly Meeting of İş Girişim Sermayesi held on 3 May 2013 that change in the Articles of Association was adopted; was registered on 10 May 2013 and published at Turkish Trade Registry Gazette on 15 May 2013.

% 17.50 of the share capital as cash dividend (TL 10,143,000) and %15 of the share capital as bonus shares (TL 8,694,000) from the period profit are decided to be distributed in the İş Girişim General Assembly Meeting dated 3 May 2013. On 10 May 2013 the cash dividend distribution and on 13 June 2013 the capital increase are completed, the new issued TL 66,654,000 share capital is registered on 28 June 2013 and published on 4 July 2013 in the Trade Registry Gazette.

All of the Aras Kargo shares of the Group have been sold to Post 206 Beteiligungs GmbH on 30 July 2013 in consideration of TL 100,000,000.

At the board of directors meeting of İş Girişim Sermayesi on 2 September 2013, it was decided to conduct an Extraordinary General meeting on 1 October 2013 and submit to General Assembly to distribute cash dividend at the rate of 20.00% and amounting TL13,330,800 (gross=net) issued share capital of TL 66,654,000 from extraordinary reserves and the distribution is started on 4 October 2013.

All of the Türkmed shares of the Group have been sold to Basri Yılmaz on 13 September 2013 in consideration of TL 500,000.

22. EVENTS AFTER THE REPORTING PERIOD

In the extraordinary general meeting held on 1 October 2013 it was decided to distribute cash dividend Payment of cash dividend amounting to TL 13,330,800 was started on 4 October 2013 and was completed on 8 October 2013.