

ARENA FAKTORİNG ANONİM ŐİRKETİ

**FINANCIAL STATEMENTS TOGETHER WITH
AUDITORS' REPORT BETWEEN THE PERIOD
JANUARY 1 – DECEMBER 31, 2012**

**(Convenience Translation of Independent Auditors' Report
Originally Prepared and Issued In Turkish)**

CONTENTS		SAYFA
INDEPENDENT AUDITORS' OPINION		1-2
BALANCE SHEET.....		3-4
STATEMENT OF OFF-BALANCE SHEET ITEMS		5
INCOME STATEMENT		6
STATEMENT OF COMPREHENSIVE INCOME ACCOUNTED UNDER EQUITY		7
STATEMENT OF CHANGES IN EQUITY		8
STATEMENT OF CASH FLOWS		9
STATEMENT OF PROFIT DISTRIBUTION		10
NOTES TO THE FINANCIAL STATEMENTS.....		11-42
NOT 1 ORGANIZATION AND OPERATIONS OF THE COMPANY		11
NOT 2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS.....		12-17
NOT 3 SIGNIFICANT ACCOUNTIN POLICIES.....		18-21
NOT 4 CASH AND CASH EQUIVALENTS.....		22
NOT 5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS		22
NOT 6 BANKS.....		22
NOT 7 RECEIVABLES FROM REVERSE REPURCHASE TRANSACTIONS		22
NOT 8 FINANCIAL ASSETS AVAILABLE FOR SALE		22
NOT 9 FACTORING RECEIVABLES		22-23
NOT 10 FINANCING LOANS.....		24
NOT 11 LEASING RECEIVABLES		24
NOT 12 NON-PERFORMING RECEIVABLES		24
NOT 13 DERIVATIVE FINANCIAL ASSETS HELD FOR RISK		24
NOT 14 INVESTMENTS HELD TO MATURITY		24
NOT 15 INVESTMENT IN SUBSIDIARIES.....		24
NOT 16 INVESTMENT IN ASSOCIATES.....		24
NOT 17 INVESTMENT IN JOINT VENTURES.....		24
NOT 18 TANGIBLE ASSETS.....		25
NOT 19 INTANGIBLE ASSETS		26
NOT 20 TAX ASSETS AND LIABILITIES		27-28
NOT 21 ASSETS HELD FOR SALE AND DISCONTUNED OPERATIONS.....		28
NOT 22 OTHER RECEIVABLES		29
NOT 23 DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING.....		29
NOT 24 FUNDS BORROWED.....		29
NOT 25 FACTORING PAYABLES.....		29
NOT 26 LEASING OBLIGATIONS.....		29
NOT 27 MARKETABLE SECURITIES ISSUED		29
NOT 28 MISCELLANEOUS PAYABLES		30
NOT 29 OTHER LIABILITIES		30
NOT 30 DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK.....		30
NOT 31 TAX AND DUTIES PAYABLE		30
NOT 32 PROVISIONS		30-31
NOT 33 PAYABLES RELATED TO ASSETS FOR SALE AND DISCONTINUED OPERATIONS		31
NOT 34 SUBORDINATED LOANS.....		31
NOT 35 SHAREHOLDERS' EQUITY.....		32-33
NOT 36 COMMITMENTS AND CONTINGENGIES		33-34
NOT 37 OPERATING INCOME		34
NOT 38 OPERATING EXPENSES		34-35
NOT 39 OTHER OPERATING INCOME		35
NOT 40 FINANCE EXPENSES		36
NOT 41 PROVISION FOR NON-PERFORMING RECEIVABLES		36
NOT 42 OTHER OPERATING EXPENSES		36
NOT 43 EARNINGS PER SHARE		36
NOT 44 RELATED PARTY EXPLANATIONS		36-37
NOT 45 NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS		38-42
NOT 46 SUBSEQUENT EVENTS		42
NOT 47 OTHER ISSUES REQUIRED TO BE EXPLAINED		42



RSM KapitalKarden

Connected for Success

KapitalKarden Bağımsız Denetim Yeminli Mali Müşavirlik AŞ,
Büyükdere Caddesi Maya Akar Center
Kat: 15, D: 56-57, Esentepe - Şişli 34394 İSTANBUL
T +90 212 284 39 00 F +90 212 284 39 01
www.rsmkapitalkarden.com

ARENA FAKTORİNG A.Ş.
AUDITORS' REPORT FOR THE PERIOD BETWEEN
JANUARY 1 – DECEMBER 31, 2012

Convenience Translation of Independent Auditors' Report
Originally Prepared and Issued In Turkish

To the Board of Directors of Arena Faktoring A.Ş.

Introduction

We have audited the accompanying financial statements of Arena Faktoring Anonim Şirketi ("the Company"), which comprise the balance sheet as of December 31, 2012, and the income statement, the statement of changes in equity and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The Board of Directors of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with the Communiqué "Uniform Chart of Accounts to be used by Financial Leasing, Factoring and Finance Institutions and Content and Presentation of Financial Statements and Accompanying Notes" issued by the Banking Regulation and Supervision Agency ("BRSA") and published in the Official Gazette dated May 17, 2007 and Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards ("TFRS") and regulations, communiqués circulars, and pronouncements in respect of accounting and financial reporting made by Banking Regulation and Supervision Agency. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility, as independent auditors, is to express an opinion on these consolidated financial statements based on our audit. Our audit is performed in accordance with the "Regulation on Authorization and Activities of Institutions to Perform External Audit in Banks" published on the Official Gazette no.26333 dated November 1, 2006 and International Standards on Auditing. We planned and conducted our audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

KAPİTAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ



RSM KapitalKarden

Connected for Success

KapitalKarden Bağımsız Denetim Yeminli Mali Müşavirlik AŞ,
Büyükdere Caddesi Maya Akar Center
Kat: 15, D: 56-57, Esentepe - Şişli 34394 İSTANBUL
T +90 212 284 39 00 F +90 212 284 39 01
www.rsmkapitalkarden.com

Our audit includes using the audit techniques for the purpose of obtaining evidence supporting the amounts and disclosures in the financial statements. The selection of the audit techniques is made in accordance with our professional judgment by taking the effectiveness of the controls over financial reporting into consideration and assessing the appropriateness of the applied accounting policies. However, our object is to set forth the relationship between the financial statements prepared by the Company management and the internal control system to design audit techniques according to conditions, rather than expressing an opinion about effectiveness of the internal control.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Arena Faktoring Anonim Şirketi as of December 31, 2012 and the results of its operations and cash flows for the year then ended in accordance with the communiqués, regulations and circulars issued by the BRSA regarding accounting and financial reporting.

İstanbul, April 11, 2013

KAPİTAL KARDEN
BAĞIMSIZ DENETİM VE YMM A.Ş.
Member Firm of RSM International

Celal Pamukçu
Partner in Charge

KAPİTAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

ARENA FAKTORİNG ANONİM ŞİRKETİ
BALANCE SHEET AS OF DECEMBER 31, 2012
(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

ASSETS	Notes	Audited Current Period December 31, 2012			Audited Prior Period December 31, 2011		
		TRY	FC	TOTAL	TRY	FC	TOTAL
I. CASH AND CASH EQUIVALENTS	4	-	-	-	-	-	-
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	5	-	-	-	-	-	-
2.1.1 Financial Assets Held for Trading		-	-	-	-	-	-
2.1.2 Financial Assets at Fair Value Through Profit and Loss		-	-	-	-	-	-
2.1.3 Derivative Financial Assets Held for Trading		-	-	-	-	-	-
III. BANKS	6	461.369	-	461.369	117.375	-	117.375
IV. RECEIVABLES FROM REVERSE REPURCHASE AGREEMENTS	7	-	-	-	-	-	-
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	8	-	-	-	-	-	-
VI. FACTORING RECEIVABLES	9	37.261.510	-	37.261.510	47.814.679	-	47.814.679
6.1 Discounted Factoring Receivables		37.261.510	-	37.261.510	47.814.679	-	47.814.679
6.1.1 Domestic		38.713.372	-	38.713.372	50.211.980	-	50.211.980
6.1.2 Foreign		-	-	-	-	-	-
6.1.3 Unearned Income (-)		(1.451.862)	-	(1.451.862)	(2.397.301)	-	(2.397.301)
6.2 Other Factoring Receivables		-	-	-	-	-	-
6.2.1 Domestic		-	-	-	-	-	-
6.2.2 Foreign		-	-	-	-	-	-
VII. FINANCING LOANS	10	-	-	-	-	-	-
7.1 Retail Loans		-	-	-	-	-	-
7.2 Credit Loans		-	-	-	-	-	-
7.3 Instalment Commercial Loans		-	-	-	-	-	-
VIII. LEASING RECEIVABLES	11	-	-	-	-	-	-
8.1 Leasing Receivables		-	-	-	-	-	-
8.1.1 Financial Leasing Receivables		-	-	-	-	-	-
8.1.2 Operational Leasing Receivables		-	-	-	-	-	-
8.1.3 Other		-	-	-	-	-	-
8.1.4 Unearned Income (-)		-	-	-	-	-	-
8.2 Leasing Contracts in Progress		-	-	-	-	-	-
8.3 Advances Given for Leasing Transactions		-	-	-	-	-	-
IX. NON-PERFORMING RECEIVABLES	12	3.027.740	-	3.027.740	1.338.836	-	1.338.836
9.1 Non-Performing Factoring Receivables		6.395.008	-	6.395.008	2.711.713	-	2.711.713
9.2 Non-Performing Financing Loans		-	-	-	-	-	-
9.3 Non-Performing Leasing Receivables		-	-	-	-	-	-
9.4 Specific Provisions (-)		(3.367.268)	-	(3.367.268)	(1.372.877)	-	(1.372.877)
X. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES	13	-	-	-	-	-	-
10.1 Fair Value Hedges		-	-	-	-	-	-
10.2 Cash Flow Hedges		-	-	-	-	-	-
10.3 Net Foreign Investment Hedges		-	-	-	-	-	-
XI. INVESTMENT HELD TO MATURITY (Net)	14	-	-	-	-	-	-
XII. INVESTMENT IN SUBSIDIARIES (Net)	15	-	-	-	-	-	-
XIII. INVESTMENT IN ASSOCIATES (Net)	16	-	-	-	-	-	-
XIV. INVESTMENT IN JOINT VENTURES (Net)	17	-	-	-	-	-	-
XV. TANGIBLE ASSETS (Net)	18	153.732	-	153.732	180.962	-	180.962
XVI. INTANGIBLE ASSETS (Net)	19	108.241	-	108.241	191.433	-	191.433
16.1 Goodwill		-	-	-	-	-	-
16.2 Other Intangibles		108.241	-	108.241	191.433	-	191.433
XVII. DEFERRED TAX ASSETS	20	291.319	-	291.319	476.240	-	476.240
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	21	-	-	-	-	-	-
18.1 Assets Held For Sale		-	-	-	-	-	-
18.2 Assets of Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS	22	237.862	-	237.862	125.721	-	125.721
TOTAL ASSETS		41.541.773	-	41.541.773	50.245.246	-	50.245.246

KAPİTAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

ARENA FAKTORİNG ANONİM ŞİRKETİ
 FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012
 (Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

LIABILITIES	Notes	Audited Current Period December 31, 2012			Audited Prior Period December 31, 2011		
		TRY	FC	TOTAL	TRY	FC	TOTAL
I. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	23	-	-	-	-	-	-
II. FUNDS BORROWED	24	25.346.112	-	25.346.112	36.177.627	-	36.177.627
III. FACTORING PAYABLES	25	114.983	-	114.983	33.727	-	33.727
IV. LEASING OBLIGATIONS	26	-	-	-	-	-	-
4.1 Financial Leasing Obligations		-	-	-	-	-	-
4.2 Operational Leasing Obligations		-	-	-	-	-	-
4.3 Other		-	-	-	-	-	-
4.4 Deferred Financial Lease Expenses (-)		-	-	-	-	-	-
V. MARKETABLE SECURITIES ISSUED (Net)	27	-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset-backed Securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. MISCELLANEOUS PAYABLES	28	83.982	-	83.982	202.212	-	202.212
VII. OTHER LIABILITIES	29	-	-	-	-	-	-
VIII. DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK	30	-	-	-	-	-	-
8.1 Fair Value Hedges		-	-	-	-	-	-
8.2 Cash Flow Hedges		-	-	-	-	-	-
8.3 Net Foreign Investment Hedges		-	-	-	-	-	-
IX. TAXES AND DUTIES PAYABLE	31	155.188	-	155.188	373.133	-	373.133
X. PROVISIONS	32,37	83.787	-	83.787	46.928	-	46.928
10.1 Restructuring Reserves		-	-	-	-	-	-
10.2 Reserves for Employee Benefits		83.787	-	83.787	46.928	-	46.928
10.3 Other Provisions		-	-	-	-	-	-
XI. DEFERRED TAX LIABILITY	20	-	-	-	-	-	-
XII. PAYABLES RELATED TO ASSETS FOR SALE AND DISCONTINUED OPERATIONS (Net)	33	-	-	-	-	-	-
12.1 Held for Sale		-	-	-	-	-	-
12.2 Liabilities of Discontinued Operations		-	-	-	-	-	-
XIII. SUBORDINATED LOANS	34	-	-	-	-	-	-
XIV. SHAREHOLDERS' EQUITY	35	15.757.721	-	15.757.721	13.411.619	-	13.411.619
14.1 Paid-in Capital		10.000.000	-	10.000.000	10.000.000	-	10.000.000
14.2 Capital Reserves		-	-	-	-	-	-
14.2.1 Share Premium		-	-	-	-	-	-
14.2.2 Share Cancellation Profits		-	-	-	-	-	-
14.2.3 Marketable Securities Revaluation Reserve		-	-	-	-	-	-
14.2.4 Tangible and Intangible Assets Revaluation Reserve		-	-	-	-	-	-
14.2.5 Bonus Shares Obtained From Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-
14.2.6 Hedging Funds (Effective Portion)		-	-	-	-	-	-
14.2.7 Accumulated Revaluation Reserves on Assets Held For Sale and Discontinued Operations		-	-	-	-	-	-
14.2.8 Diğer Sermaye Yedekleri		-	-	-	-	-	-
14.3 Profit Reserves		216.217	-	216.217	124.123	-	124.123
14.3.1 Legal Reserves		216.217	-	216.217	124.123	-	124.123
14.3.2 Statutory Reserves		-	-	-	-	-	-
14.3.3 Extraordinary Reserves		-	-	-	-	-	-
14.3.4 Other Profit Reserves		-	-	-	-	-	-
14.4 Profit or Loss		5.541.504	-	5.541.504	3.287.496	-	3.287.496
14.4.1 Retained Earnings / (Accumulated Losses)		3.195.402	-	3.195.402	1.452.687	-	1.452.687
14.4.2 Current Year Profit/Loss		2.346.102	-	2.346.102	1.834.809	-	1.834.809
TOTAL LIABILITIES AND EQUITY		41.541.773	-	41.541.773	50.245.246	-	50.245.246

KAPİTAL KARDEN
 BAĞIMSIZ DENETİM VE
 YEMİNLİ MALİ MÜŞAVİRLİK
 ANONİM ŞİRKETİ

ARENA FAKTORİNG ANONİM ŞİRKETİ
STATEMENT OF OFF-BALANCE SHEET ITEMS AS OF DECEMBER 31, 2012
(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

OFF-BALANCE SHEET ITEMS	Notes	Audited Current Period December 31, 2012			Audited Prior Period December 31, 2011		
		TRY	FC	TOTAL	TRY	FC	TOTAL
I. IRREVOCABLE FACTORING TRANSACTIONS		-	-	-	-	-	-
II. REVOCABLE FACTORING TRANSACTIONS		4.058.752	-	4.058.752	10.122.878	-	10.122.878
III. COLLATERALS RECEIVED	9/c	4.393.000	-	4.393.000	1.110.750	-	1.110.750
IV. COLLATERALS GIVEN	36/b	18.525	-	18.525	18.525	-	18.525
V. COMMITMENTS		-	-	-	-	-	-
5.1 Irrevocable Commitments		-	-	-	-	-	-
5.2 Revocable Commitments		-	-	-	-	-	-
5.2.1 Leasing Commitments		-	-	-	-	-	-
5.2.1.1 Financial Leasing Commitments		-	-	-	-	-	-
5.2.1.2 Operational Leasing Commitments		-	-	-	-	-	-
5.2.2 Other Revocable Commitments		-	-	-	-	-	-
VI. DERIVATIVE FINANCIAL INSTRUMENTS		-	-	-	-	-	-
6.1 Derivative Financial Instruments for Risk Management		-	-	-	-	-	-
6.1.1 Fair Values Hedging		-	-	-	-	-	-
6.1.2 Cash Flow Hedging		-	-	-	-	-	-
6.1.3 Net Foreign Investment Hedging		-	-	-	-	-	-
6.2 Derivative Financial Instruments Held for Trading		-	-	-	-	-	-
6.2.1 Forward Foreign Currency Purchases/Sales		-	-	-	-	-	-
6.2.2 Swap Purchases/Sales		-	-	-	-	-	-
6.2.3 Put/Call Options		-	-	-	-	-	-
6.2.4 Futures Purchases/Sales		-	-	-	-	-	-
6.2.5 Other		-	-	-	-	-	-
VII. ITEMS HELD IN CUSTODY	36/c	39.359.011	4.339.881	43.698.892	51.911.376	1.135.184	53.046.560
TOTAL OFF-BALANCE SHEET ITEMS		47.829.288	4.339.881	52.169.169	63.163.529	1.135.184	64.298.713

KAPİTAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

ARENA FAKTORING ANONİM ŞİRKETİ
INCOME STATEMENT FOR THE PERIOD ENDED DECEMBER 31, 2012
(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

INCOME STATEMENT	Notes	Audited	Audited
		Current Period 01.01.2012 - 31.12.2012	Prior Period 01.01.2011 - 31.12.2011
I. OPERATING INCOME	37	14.630.359	12.723.872
I.1. FACTORING INCOME		14.630.359	12.723.872
1.1.1 Factoring Interest Income		13.822.605	11.978.213
1.1.1.1 Discounted		13.822.605	11.978.213
1.1.1.2 Other		-	-
1.1.2 Factoring Fees and Commission Income		807.754	745.659
1.1.2.1 Discounted		807.754	745.659
1.1.2.1 Other		-	-
I.2. INCOME FROM FINANCING LOANS		-	-
1.2.1 Interest Income From Financing Loans		-	-
1.2.2 Commission Income From Financing Loans		-	-
I.3. LEASE INCOME		-	-
1.3.1 Financial Leasing Income		-	-
1.3.2 Operational Leasing Income		-	-
1.3.3 Fees and Commission Income on Leasing Operations		-	-
II. OPERATING EXPENSES (-)	38	(4.526.076)	(4.071.225)
2.1 Personal Expenses		(2.963.829)	(2.696.636)
2.2 Employee Severance Indemnity Expense		(6.915)	-
2.3 Research and Development Expenses		-	-
2.4 General Administration Expenses		(1.555.332)	(1.374.589)
2.5 Other		-	-
III. OTHER OPERATING INCOME	39	295.398	35.711
3.1 Interest Income on Bank Deposits		-	-
3.2 Interest Income on Reserve Repurchase Agreements		-	-
3.3 Interest Income on Securities Portfolio		-	-
3.3.1 Interest Income on Financial Assets Held for Trading		-	-
3.3.2 Interest Income on Financial Assets at Fair Value Through Profit or Loss		-	-
3.3.3 Interest Income on Financial Assets Available for Sale		-	-
3.3.4 Interest Income on Financial Assets Held to Maturity		-	-
3.4 Dividend Income		-	-
3.5 Income Money Market Transactions		-	-
3.5.1 Income from Derivative Financial Instruments		-	-
3.5.2 Other		-	-
3.6 Foreign Exchange Gains		12.832	525
3.7 Other		282.566	35.186
IV. FINANCIAL EXPENSES (-)	40	(5.227.595)	(5.023.155)
4.1 Interest Expense on Funds Borrowed		(5.116.533)	(4.904.718)
4.2 Interest Expense on Factoring Payables		-	-
4.3 Interest Expense of Financial Leasing		-	-
4.4 Interest Expense on Securities Issued		-	-
4.5 Other Interest Expenses		-	-
4.6 Fees and Commissions Paid		(111.062)	(118.437)
V. PROVISION FOR LOSSES ON NON-PERFORMING RECEIVABLES (-)	41	(2.054.303)	(1.322.254)
VI. OTHER OPERATING EXPENSES (-)	42	-	(95)
6.1 Impairment Losses on Securities Portfolio		-	-
6.1.1 Impairment Losses on Financial Assets at Fair Value Through Profit or Loss		-	-
6.1.2 Impairment Losses on Financial Assets Available for Sale		-	-
6.1.3 Impairment Losses on Financial Assets Held to Maturity		-	-
6.2 Impairment Losses on Non-Current Assets		-	-
6.2.1 Impairment Losses on Tangible Assets		-	-
6.2.2 Impairment Losses on Assets Held for Sale and Discontinued Operations		-	-
6.2.3 Impairment Losses on Goodwill		-	-
6.2.4 Impairment Losses on Other Intangible Assets		-	-
6.2.5 Impairment Losses on Subsidiaries, Associates and Joint Venture		-	-
6.3 Losses From Derivative Financial Instruments		-	-
6.4 Foreign Exchange Losses		-	(95)
6.5 Other		-	-
VII. NET OPERATING PROFIT / LOSS		3.117.783	2.342.854
VIII. INCOME RESULTED FROM MERGES		-	-
IX. GAIN/LOSS ON NET MONETARY POSITION		-	-
X. PROFIT/LOSS FROM CONTINUING OPERATIONS BEFORE TAX		3.117.783	2.342.854
XI. INCOME TAX EXPENSE FROM CONTINUING OPERATIONS		(771.681)	(508.045)
11.1 Current Tax Charge		(586.760)	(697.471)
11.2 Deferred Tax Charge (-)		(184.921)	-
11.3 Deferred Tax Benefit (+)		-	189.426
XII. NET PROFIT/LOSS FROM CONTINUING OPERATIONS	43	2.346.102	1.834.809
XIII. INCOME FROM DISCONTINUED OPERATIONS		-	-
13.1 Income from Assets Held for Sale		-	-
13.2 Gain on Sale of Associates, Subsidiaries and Jointly Controlled Entities		-	-
13.3 Other Income from Discontinued Operations		-	-
XIV. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
14.1 Expense on Assets Held for Sale		-	-
14.2 Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities		-	-
14.3 Other Expenses from Discontinued Operations		-	-
XV. PROFIT/LOSS FROM DISCONTINUED OPERATIONS BEFORE TAX		-	-
XVI. INCOME TAX EXPENSE FROM DISCONTINUED OPERATIONS		-	-
16.1 Current Tax Charge		-	-
16.2 Deferred Tax Charge (-)		-	-
16.3 Deferred Tax Benefit (+)		-	-
XVII. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS		-	-
XVIII. NET PROFIT/LOSS FOR THE PERIOD (IX+XII)		2.346.102	1.834.809
Earnings/Losses Per Share	44	0,2346	0,1835

KAPITAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

The accompanying notes are an integral part of these financial statements.

ARENA FAKTORING ANONİM ŞİRKETİ
STATEMENT OF GAINS AND LOSSES RECOGNIZED IN EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2012
(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

PROFIT /LOSS ITEMS RECOGNIZED DIRECTLY IN EQUITY		Audited Current Period 01.01.2012 - 31.12.2012	Audited Prior Period 01.01.2011 - 31.12.2011
I.	ADDITIONS TO MARKETABLE SECURITIES VALUE INCREASE FUND FROM AVAILABLE FOR SALE FINANCIAL ASSETS	-	-
1.1	Change in The Fair Value of The Financial Assets Available For Sale, Net	-	-
1.2	Change in The Fair Value of The Financial Assets Available For Sale, Net (Transfer to Profit / Loss)	-	-
II.	REVALUATION SURPLUS ON TANGIBLE ASSETS	-	-
III.	REVALUATION SURPLUS ON INTANGIBLE ASSETS	-	-
IV.	FOREIGN EXCHANGE DIFFERENCES ON FOREIGN CURRENCY TRANSACTIONS	-	-
V.	PROFIT/LOSS ON DERIVATIVE FINANCIAL ASSETS FOR CASH FLOW HEDGING (Effective Portion of The Changes in Fair Value)	-	-
VI.	Differences)	-	-
VII.	EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN THE ACCOUNTING POLICIES	-	-
VIII.	OTHER INCOME AND EXPENSES RECOGNIZED UNDER EQUITY IN ACCORDANCE WITH TAS	-	-
IX.	DEFERRED TAXES ON REVALUATION DIFFERENCES	-	-
X.	NET PROFIT/LOSS RECOGNIZED DIRECTLY IN EQUITY	-	-
XI.	PROFIT/LOSS FOR THE PERIOD	2.346.102	1.834.809
XII.	TOTAL PROFIT/LOSS RECOGNIZED FOR THE PERIOD	2.346.102	1.834.809

KAPİTAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

ARENA FAKTORING ANONİM ŞİRKETİ
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED DECEMBER 31, 2012
(Amounts are expressed in Turkish Lira (TL) unless otherwise indicated)

CHANGES IN EQUITY	Notes	Paid-in Capital	Paid-in Capital Adjustments	Share Premium	Share Cancellation Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value Changes of Marketable Securities	Revaluation Reserve on Tangible and Intangible Assets	Bonus Shares Obtained from Subs., Assoc., and Jointly Cont. Ent.	Hedging Reserves (Effective Portion)	Revaluation Reserves on Assets Held for Sale and Discontinued Operations	Total Equity
	Prior Period (01.01.2011 - 31.12.2011) (Audited)									1.786.342	(208.532)						11.576.610
I.	Balance at the Beginning of the Period (01.12.2010)	10.000.000															
II.	Correction Made According to TAS 8																
2.1	Effect of Correction of Errors																
2.2	Effect of Changes in Accounting Policies																
III.	Adjusted Beginning Balance (A)	10.000.000								1.786.342	(208.532)						11.576.610
IV.	Changes During the Period																
V.	Increase/Decrease Due to Mergers																
VI.	Rebate Reserves																
5.1	Cash Flow Hedging																
5.2	Net Foreign Investment Hedging																
VI.	Fair Value Changes on Securities																
VII.	Revaluation Surplus on Tangible Assets																
VIII.	Bonus Shares of Associates, Subsidiaries and Joint-Ventures																
IX.	Fair Value Changes on Securities																
X.	Translation Differences																
XI.	Changes Resulted from Disposal of Assets																
XII.	Changes Resulted from Reclassification of Assets																
XIII.	Capital Increase																
XIV.	Issuances of Share Certificates																
XV.	Paid-in-Capital Inflation Adjustment																
XVI.	Convertible Bonds																
XVII.	Subordinated Loans																
XVIII.	Profit/Loss for the Period									1.834.809	1.834.809						1.834.809
XIX.	Profit Distribution						124.123			(1.786.342)	1.862.219						
19.1	Dividend Paid																
19.2	Transfer to Reserves																
19.3	Other																
	Balance at the End of the Period (B)(A+XIV+XV+XVI+XVII)	10.000.000				124.123				1.834.809	1.452.687						13.411.619
	Current Period (01.01.2012 - 31.12.2012) (Audited)																
I.	Balance at the Beginning of the Period (31.12.2011)	10.000.000				124.123				1.834.809	1.452.687						13.411.619
II.	Changes During the Period																
III.	Increase/Decrease Due to Mergers																
III.	Hedging Reserves																
3.1	Cash Flow Hedging																
3.2	Net Foreign Investment Hedging																
IV.	Fair Value Changes on Securities																
V.	Revaluation Surplus on Tangible Assets																
VI.	Bonus Shares of Associates, Subsidiaries and Joint-Ventures																
VII.	Fair Value Changes on Securities																
VIII.	Translation Differences																
IX.	Changes Resulted from Disposal of Assets																
X.	Changes Resulted from Reclassification of Assets																
XI.	Capital Increase																
XII.	Issuances of Share Certificates																
XIII.	Capital Reserves from Inflation Adjustments to Paid-in Capital																
XIV.	Convertible Bonds																
XV.	Subordinated Loans																
XVI.	Profit/Loss for the Period									2.346.102	1.742.715						2.346.102
XVII.	Profit Distribution						92.094			(1.834.809)							
17.1	Dividend Paid																
17.2	Transfer to Reserves																
17.3	Other																
	Balance at the End of the Period (B)(A+XIV+XV+XVI+XVII)	10.000.000				216.217				2.346.102	3.195.402						15.757.721

KAPITAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MAL MÜŞAVİRLİK
ANONİM ŞİRKETİ

ARENA FAKTORİNG ANONİM ŞİRKETİ
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2012
(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Audited Current Period 01.01.2012 - 31.12.2012	Audited Prior Period 01.01.2011 - 31.12.2011
A. CASH FLOWS FROM OPERATING ACTIVITIES		
1.1 Operating Profit Before Changes In Operating Assets And Liabilities (+)	4.390.120	3.077.071
1.1.1 Interests Received/Leasing Income (+)	13.822.605	11.978.213
1.1.2 Leasing Expenses (-)	-	-
1.1.3 Dividends Received (+)	-	-
1.1.4 Fees and Commissions Received (+)	807.754	745.659
1.1.5 Other Income (+)	235.486	35.711
1.1.6 Collections from Non-performing Receivables (+)	-	-
1.1.7 Payments to Personnel and Service Suppliers (-)	(2.963.829)	(2.696.636)
1.1.8 Taxes Paid (-)	(893.233)	(821.993)
1.1.9 Other (+/-)	(6.618.663)	(6.163.883)
1.2 Changes in Operating Assets and Liabilities	6.809.287	(1.438.604)
1.2.1 Net (Increase) Decrease in Factoring Receivables (+/-)	6.869.874	(1.400.427)
1.2.1 Net (Increase) Decrease in Financing Loans (+/-)	-	-
1.2.1 Net (Increase) Decrease in Lease Receivables (+/-)	-	-
1.2.2 Net (Increase) Decrease in Other Assets (+/-)	33.406	(111.036)
1.2.3 Net Increase (Decrease) in Factoring Payables (+/-)	81.256	-
1.2.3 Net Increase (Decrease) in Leasing Payables (+/-)	-	-
1.2.4 Net Increase (Decrease) in Funds Borrowed (+/-)	-	-
1.2.5 Net Increase (Decrease) in Due Payables (+/-)	-	-
1.2.6 Net Increase (Decrease) in Other Liabilities (+/-)	(175.249)	72.859
I. Net Cash Provided from / (Used in) Operating Activities (+/-)	11.199.407	1.638.467
B. CASH FLOWS FROM INVESTING ACTIVITIES		
2.1 Cash Paid for Purchase Of Associates, Subsidiaries and Joint-ventures (-)	-	-
2.2 Cash Obtained From Sale of Associates, Subsidiaries and Joint-Ventures (+)	-	-
2.3 Purchases of Tangible and Intangible Assets (-)	(23.898)	(316.339)
2.4 Proceeds from Sale of Tangible and Intangible Assets (+)	-	-
2.5 Cash Paid for Purchase of Financial Assets Available for Sale (-)	-	-
2.6 Proceeds from Sale of Financial Assets Available for Sale (+)	-	-
2.7 Cash Paid for Purchase of Held-to-Maturity Investment Securities (-)	-	-
2.8 Proceeds from Sale of Held-to-Maturity Investment Securities (+)	-	-
2.9 Other (+/-)	-	-
II. Net Cash Used in Investing Activities (+/-)	(23.898)	(316.339)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
3.1 Cash Obtained from Funds Borrowed and Securities Issued (+)	(10.831.515)	(1.667.676)
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued (-)	-	-
3.3 Equity Instruments Issued (+)	-	-
3.4 Dividends Paid (-)	-	-
3.5 Payments for Financing Leasing (-)	-	-
3.6 Other (+/-)	-	-
III. Net Cash Used in Financing Activities (+/-)	(10.831.515)	(1.667.676)
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)	-	-
V. Net Increase / (Decrease) in Cash and Cash Equivalents (I+II+III+IV)	343.994	(345.548)
VI. Cash and Cash Equivalents at The Beginning of the Period (+)	117.375	462.923
VII. Cash and Cash Equivalents at The End of the Period (+/VI)	461.369	117.375

KAPİTAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

The accompanying notes are an integral part of these financial statements.

ARENA FAKTORİNG ANONİM ŞİRKETİ
STATEMENT OF PROFIT DISTRIBUTION FOR THE PERIOD ENDED DECEMBER 31, 2012
(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

PROFIT DISTRIBUTION TABLE		Notes	Current Period December 31, 2012	Prior Period December 31, 2011
I.	DISTRIBUTION OF CURRENT PERIOD PROFIT			
1.1	CURRENT PERIOD PROFIT		3.117.783	2.342.854
1.2	TAXES AND DUES PAYABLE (-)		(771.681)	(508.045)
1.2.1	Corporate Tax (Income Tax)		(586.760)	(697.471)
1.2.2	Withholding Tax		-	-
1.2.3	Other Taxes and Dues		(184.921)	189.426
A.	NET PERIOD PROFIT (1.1-1.2)		2.346.102	1.834.809
1.3	PRIOR YEARS' LOSSES (-)		-	-
1.4	FIRST LEGAL RESERVE (-)		(117.305)	(91.740)
1.5	OTHER STATUTORY RESERVES NEEDED TO BE KEPT IN THE COMPANY (-)		-	-
B.	DISTRIBUTABLE NET PERIOD PROFIT [(A)-(1.3+1.4+1.5)]		2.228.797	1.743.069
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)		-	-
1.6.1	To Owners of Ordinary Shares		-	-
1.6.2	To Owners of Preferred Stocks		-	-
1.6.3	To Owners of Preferred Stocks (Preemptive Rights)		-	-
1.6.4	To Profit Sharing Bonds		-	-
1.6.5	To Owners of the profit /loss Sharing Certificates		-	-
1.7	DIVIDEND TO PERSONNEL (-)		-	-
1.8	DIVIDEND TO BOARD OF DIRECTORS (-)		-	-
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)		-	-
1.9.1	To Owners of Ordinary Shares		-	-
1.9.2	To Owners of Preferred Stocks		-	-
1.9.3	To Owners of Preferred Stocks (Preemptive Rights)		-	-
1.9.4	To Profit Sharing Bonds		-	-
1.9.5	To Owners of The Profit /Loss Sharing Certificates		-	-
1.10	SECOND LEGAL RESERVE (-)		-	-
1.11	STATUS RESERVES (-)		-	-
1.12	EXTRAORDINARY RESERVES		-	-
1.13	OTHER RESERVES		-	-
1.14	SPECIAL FUNDS		-	-
II.	DISTRIBUTION FROM RESERVES			
2.1	DISTRIBUTED RESERVES		-	-
2.2	SECOND LEGAL RESERVES (-)		-	-
2.3	SHARE TO SHAREHOLDERS (-)		-	-
2.3.1	To Owners of Ordinary Shares		-	-
2.3.2	To Owners of Preferred Stocks		-	-
2.3.3	To Owners of Preferred Stocks (Preemptive Rights)		-	-
2.3.4	To Profit Sharing Bonds		-	-
2.3.5	To Owners of The Profit /Loss Sharing Certificates		-	-
2.4	SHARE TO PERSONNEL (-)		-	-
2.5	SHARE TO BOARD OF DIRECTORS (-)		-	-
III.	EARNINGS PER SHARE			
3.1	TO OWNERS OF STOCKS (TRY)		-	-
3.2	TO OWNERS OF STOCKS (%)		-	-
3.3	TO OWNERS OF PREFERRED STOCKS (TRY)		-	-
3.4	TO OWNERS OF PREFERRED STOCKS (%)		-	-
IV.	DIVIDEND PER SHARE			
4.1	TO OWNERS OF STOCKS (TRY)		-	-
4.2	TO OWNERS OF STOCKS (%)		-	-
4.3	TO OWNERS OF PREFERRED STOCKS (TRY)		-	-
4.4	TO OWNERS OF PREFERRED STOCKS (%)		-	-

(*) Since the Board of Directors has not made any decision regarding to profit distribution for the year 2012, only distributable period net profit has been presented in the profit distribution table above.

KAPİTAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

The accompanying notes are an integral part of these financial statements.

ARENA FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise stated.)

NOTE 1 – ORGANIZATION AND OPERATIONS OF THE COMPANY

a) General Information

Arena Faktoring Anonim Şirketi ("the Company") was incorporated in May 28, 2009. The incorporation was registered and published in Trade Registry Gazette no 7320 dated May 28, 2009. The Company operates in accordance with Banking Regulation and Supervision Agency ("BRSA") Decision No. 3372 dated October 1, 2009.

The Company is engaged in providing factoring services according to factoring legislation within the framework of principals and rules.

Names and shareholding rates of the company shareholders having shares more than 10% as of December 31, 2012 and December 31, 2011 are as follows:

Name-Surname / Title	December 31, 2012		December 31, 2011	
	Percentage	Share Amount	Percentage	Share Amount
Mehmet Emin Hitay	% 89,96	8.996.000	% 89,96	8.996.000
Hitay Yatırım Holding	% 10,00	1.000.000	% 10,00	1.000.000

b) Business Center and Number of Staff

The Company operates at Eski Büyükdere Cad. Özcan Sok. No:2 Kağıthane 4.Levent-İstanbul.

Contact information of the company is as follows:

Phone	0 (212) 349 49 49
Fax	0 (212) 349 49 48
Web Address	http://www.arenafactoring.com.tr/

The Company has 3 agencies located at Melih Gökçek Bulvarı 1476 Sokak İvedik İş merkezi No: 8/11 Yenimahalle / Ankara, Etiler Mah.Evliya Çelebi Cad.Mirador İş Merkezi 3/20 Muratpaşa / Antalya and Çınardere Mah. Akan Sokak No: 11 D: 5 Pendik / İstanbul. (See Note 46)

The Company has 34 employees as of December 31, 2012. (December 31, 2011: 26 Employees)

The Company operates in only one geographical territory (Turkey).

KAPİTAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

ARENA FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise stated.)

NOT 2 – BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

Basis of Presentation of Financial Statements and Accounting Standarts Applied

The accompanying consolidated financial statements are prepared in accordance with "Communiqué Uniform Chart of Accounts to be implemented by Financial Leasing, Factoring and Financing Companies and its Explanation as well as the Form and Scope of Financial Statements to be announced to Public" published on the Official Gazette no.26525 dated 17 May 2007 promulgated by BRSA, Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards ("TFRS") and the appendices and interpretations promulgated by Turkish Accounting Standards Board ("TASB") and the statements and guidance published by BRSA on accounting and financial reporting principles (together referred as "Reporting Standards").

The Company also applies the requirements of the Communiqué on the "Principles and Procedures of Receivable Allowances to be Provided by Finance Leasing, Factoring and Financing Companies"; which is prepared based on the Communiqué on "The Application of Uniform Charts of Accounts and its Guide Book in Connection to the Establishment and Main Activities of Financial Leasing, Factoring and Financing Companies" published in the Official Gazette No:26315 on October 10, 2006; published in the Official Gazette No: 26588 on July 20, 2007

The company's financial statements have been approved by the Board of Directors on April 8, 2013 by decision no 2013/6.

Currency Used

The financial statements have been expressed in terms of TRY which is functional and presentation currency. (functional currency) Financial information presented in TRY, has been rounded to the nearest TRY values.

Preparation of Financial Statements in Hyperinflationary Countries

BRSA issued a circular on 28 April 2005 stating that the indicators requiring the application of inflation accounting ceased to exist; consequently inflation accounting was not applied in the financial statements after 1 January 2005. "TAS 29 – Financial Reporting in Hyperinflationary Economies" is not applied due to Company incorporation date is May 28, 2009.

Comparative Information and Restatement of the Prior Periods' Financial Statements

The Company's financial statements and footnotes are prepared comparatively with the prior period in order to provide information on the financial position and performance of the Company. When the presentation or classification of financial statements is changed, prior period's financial statements are also reclassified in line with the related changes in order to sustain consistency and all significant changes are explained.

Accounting principles are continuously applied and are consistent with the previous periods accounting principles.

Estimates and basis of estimations are regularly reviewed and in case of considerable deviations, the necessary adjustments are made and they are reflected in the income statement for the period they are realized.

KAPİTAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

NOT 2 – BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

2.2 Changes in Accounting Policies

Changes in accounting policies are applied retrospectively and the prior period financial statements are restated accordingly. The Company has applied the accounting policies in line with the prior financial year.

2.3 Changes in Accounting Estimates and Errors

If the changes in accounting estimates relate to only one period, changes are applied in the current period but if changes in estimates relate to future periods, changes are applied both in the current and following periods prospectively. Material prior period errors are corrected retrospectively and prior period financial statements are restated. There are no material changes in accounting estimates in the current period.

2.4 New and Revised International Financial

The accounting policies adopted in preparation of the financial statements as at December 31, 2012 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of 1 January 2012. The effects of these standards and interpretations on the Company's financial position and performance have been disclosed in the related paragraphs.

a) New Standards and interpretations effecting presentation and disclosure of financials:

None.

b) New Standarts amd interpretations effecting financial performance:

None.

c) New and revised standards and interpretations affecting from beginning of January 1, 2012:

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

IAS 12 has been updated to include i) a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale and ii) a requirement that deferred tax on non-depreciable assets, measured using the revaluation model in IAS 16, should always be measured on a sale basis. This amendment is effective for annual periods beginning on or after 1 January 2012 and will be applied retrospectively. This amendment had no impact on the financial position or performance of the Company.

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

The amendments are effective for annual periods beginning on or after 1 July 2012. Therefore the amendments are not effective as of interim reporting period. The purpose of this amendment is to allow users of financial statements to improve their understanding of transfer transactions of financial assets (e.g. securitizations), including understanding the possible effects of any risks that may remain with the entity which transferred the assets. The amendment also requires additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. Comparative disclosures are not required. This amendment had no impact on the financial position or performance of the Company.

NOT 2 – BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

d) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the (consolidated) financial statements are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting the interim condensed consolidated financial statements and disclosures, after the new standards and interpretations become in effect.

Improvements to IFRSs

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

- **IFRS 1 First-time Adoption of International Financial Reporting Standards:**
Clarifies the repeated application of IFRS 1 and capitalized borrowing costs for qualifying assets
- **IAS 1 Financial Statement Presentation:**
Clarifies the difference between voluntary additional comparative information and the minimum required comparative information.
- **IAS 16 Property, Plant and Equipment:**
Clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory
- **IAS 32 Financial Instruments: Presentation:**
Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes. The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders.
- **IAS 34 Interim Financial Reporting:**
Clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment. Total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual financial statements for that reportable segment.

NOT 2 – BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

Amendments to IAS 1 Presentation of Items of Other Comprehensive Income

The amendments to IAS 1 Presentation of Items of Other Comprehensive Income is effective for the annual periods beginning on or after 1 July 2012. The amendments introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to IAS 1, the 'statement of comprehensive income' is renamed the 'statement of profit or loss and other comprehensive income' and the 'income statement' is renamed the 'statement of profit or loss'. The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis - the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments can be applied retrospectively. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

IAS 19 Employee Benefits (Amended)

Amended standard is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. With very few exceptions retrospective application is required. Numerous changes or clarifications are made under the amended standard. Among these numerous amendments, the most important changes are removing the corridor mechanism, for determined benefit plans recognizing actuarial gain/(loss) under other comprehensive income and making the distinction between short-term and other long-term employee benefits based on expected timing of settlement rather than employee entitlement. Since the Company recognizes the actuarial income and loss in the other comprehensive income statement, the amendment of the standard will not have any impact on the financial position or performance of the Company.

IAS 27 Separate Financial Statements (Amended)

The standard is effective for annual periods beginning on or after 1 January 2013 with earlier application permitted. As a consequential amendment to IFRS 10 and IFRS 12, the IASB also amended IAS 27, which is now limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. Transitional requirement of this amendment is similar to IFRS 10. This amendment will not have any impact on the financial position or performance of the Company.

IAS 28 Investments in Associates and Joint Ventures (Amended)

The standard is effective for annual periods beginning on or after 1 January 2013 with earlier application permitted. As a consequential amendment to IFRS 11 and IFRS 12, the IASB also amended IAS 28, which has been renamed IAS 28 Investments in Associates and Joint Ventures, to describe the application of the equity method to investments in joint ventures in addition to associates. Transitional requirement of this amendment is similar to IFRS 11. The Company does not expect that this amendment will have any impact on the financial position or performance of the Company.

NOT 2 – BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

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

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

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

New disclosures would provide users of financial statements with information that is useful in;

- i) Evaluating the effect or potential effect of netting arrangements on an entity's financial position and
- ii) Analyzing and comparing financial statements prepared in accordance with IFRSs and other generally accepted accounting standards. The amendments are to be retrospectively applied for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The amendment affects disclosures only and will have no impact on the financial position or performance of the Company.

IFRS 9 Financial Instruments – Classification and measurement

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

IFRS 10 Consolidated Financial Statements

The standard is effective for annual periods beginning on or after 1 January 2014 and is applied on a modified retrospective basis. This new Standard may be adopted early, but IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities should be also adopted early. IAS 27 "Consolidated and Separate Financial Statements" that addresses the accounting for consolidated financial statements. A new definition of control is introduced, which is used to determine which entities are consolidated. This is a principle based standard and require preparers of financial statements to exercise significant judgment. This amendment will not have any impact on the financial position or performance of the Company.

IFRS 11 Joint Arrangements

The standard is effective for annual periods beginning on or after 1 January 2013 and is applied on a modified retrospective basis. This new Standard may be adopted early, but IFRS 10 Consolidated Financial Statements and IFRS 12 Disclosure of Interests in Other Entities should be also adopted early. The standard describes the accounting for joint ventures and joint operations with joint control. Among other changes introduced, under the new standard, proportionate consolidation is not permitted for joint ventures. The Company does not expect that this standard will have any impact on the financial position or performance of the Company.

NOT 2 – BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

IFRS 12 Disclosure of Interests in Other Entities

The standard is effective for annual periods beginning on or after 1 January 2013 and is applied on a modified retrospective basis. This new Standard may be adopted early, but IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements should be also adopted early. IFRS 12 includes all of the disclosures that were previously in IAS 27 Consolidated and Separate Financial Statements related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 Interests in Joint Ventures and IAS 28 Investment in Associates. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. Under the new standard the Company will provide more comprehensive disclosures for interests in other entities.

IFRS 13 Fair Value Measurement

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

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

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

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

a) Cash and Cash Equivalents

Cash refers to the demand deposit in the undertaking and cash equivalent refers to the short-term funds and investments with high liquidity the amount of which may be easily converted into cash and the risk of change in the value of which is insignificant (such as undated Type B Liquid Funds, cheques, receivables from reverse repurchase transactions, deposits with a maturity of shorter than 3 months, government bonds and the other short-term investments with high liquidity having due date of shorter than 3 months) (Note 6)

b) Factoring Receivables and Provisions

Factoring receivables and other receivables are stated at fair value at initial recognition. Subsequent to initial recognition, factoring receivables are carried at amortized cost using the effective interest method. (Note 9)

Specific Provisions for Factoring Receivables

Provision for doubtful factoring receivables are recognized as an expense and written off against the profit for the year. Provision for non-performing receivables is allocated assessing the Company's loan portfolio, quality and risk and considering the economic conditions and other factors including the related legislation against the potential losses that may be resulted from the current factoring receivables.

Effective from January 1, 2008, in accordance with the Communiqué (No: 26588) on the "Principles and Procedures of Receivable Allowances To Be Provided By Financial Leasing, Factoring and Financing Companies" issued on July 20, 2007, special provision rate allocated for the factoring receivables considering their guarantees are as follows: 20%, at a minimum, for factoring receivables overdue more than 90 days not exceeding 180 days; 50%, at a minimum, for factoring receivables overdue more than 180 days not exceeding 360 days; and 100% for factoring receivables overdue more than 1 year. While the Company previously allocated 100% provision for all doubtful factoring receivables which had no significant collaterals without considering the time intervals above, the Company started to allocate special provision in accordance with the Communiqué after February 24, 2012. For the postdated factoring receivables of the clients for which special provision for their overdue receivables had been allocated, free provision is provided based on the rates specified in the Communiqué.

The Company classifies its overdue finance lease receivables not exceeding 360 days as under the "Receivables to be liquidated" and classifies its finance lease receivables overdue more than 1 year under "Receivables at loss".

The carrying amount of the financial asset is reduced by impairment loss directly for all financial assets with the exception of finance lease receivables and factoring receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Changes in allowance accounts are recognized in profit or loss.

c) Related Parties

For the purpose of the accompanying financial statements, shareholders, subsidiaries, affiliated parties and key executives of the Company are considered as related parties. During the course of the Company's operations, related parties can perform mutual business transactions subject to reasonable prices determined by prevailing market conditions. (Note 44)

KAPİTAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Revenue

Factoring revenue consists of factoring interest and commission income collected or accrued on advances given to the customers. Factoring commission income is a certain percentage of the total amount of invoices subject to factoring transactions. Commissions collected are recorded on cash basis and all other revenues and expenses are accounted on accrual basis. (Note 37)

e) Tangible Fixed Assets

The tangible fixed assets are indicated based on their net values obtained after the deduction of the accumulated depreciations from their registered values. Depreciation is calculated by using the straight-line method based on the estimated useful lives of assets. The depreciation periods of property, plant and equipment, which approximate the economic useful lives of assets, are as follows. (Note 18)

Type of Tangible Asset	Useful Life (Year)	Depreciation Rate
Machinery & Equipment	3-5	% 20 - % 33
Furniture and Fixtures	5	% 20
Leasehold Improvements	5	% 20

All tangible fixed assets are examined to determine whether any impairment exists or not. Where the carrying amount of assets is greater than its estimated recoverable amount, it is written to its recoverable amount if any impairment occurs. Recoverable amount of an asset is determined as the greater of net present value of its future proceeds and its market value.

Gains or losses on disposed tangible fixed assets are charged to other operating income / expense accounts.

f) Intangible Fixed Assets

Intangible fixed assets contain the acquired information systems, rights of privilege, computer software and development costs. Intangible fixed assets are recorded based on the cost of acquisition and they are subject to depreciation according to the straight-line method based on their estimated useful life for a period of 5 years following the date of their acquisition. In case of any impairment exists, the carrying amount of any intangible assets is written down to its recoverable amount. (Note 19)

g) Provisions, Contingent Assets and Contingent Liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

The assets and obligations are not included in the financial statements if they arise from a past event; they are not under full control of the company; and they can be acknowledged through the realization of one or more events in the future. Such assets and liabilities have been explained as "contingent liabilities and contingent assets" in notes. (Note 36)

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Employee Benefits

Under the Turkish Labor Law, The Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without valid reason, or who is called up military service. Employment termination benefits represent the present value of the estimated total reserve of the future probable obligation of the Company arising from the retirement of the employees calculated in accordance with the Turkish Labor Law. (Note 32)

i) Foreign Currency Transactions and Translation

Income and expenses arising in foreign currencies during the year have been converted at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated at the exchange rates prevailing at the balance sheet dates. Exchange gains or losses arising from the settlement and translation of foreign currency items have been included in the related income and expense accounts, as appropriate.

j) Tax Assets and Liabilities

Tax Liability consists of the sum total of the tax accrued in the current year and the deferred taxes.

Current Year Tax: The current year tax is calculated based on that part of the profit for the year which is subject to taxation. Taxable profit is different from the profit included in the income statement since it excludes the taxable and tax deductible items in other years and the items for which taxation or tax deduction is not possible. Current tax liability of the Company has been calculated using the tax rate which is legalized or substantially legalized as of the balance-sheet date.

Deferred Tax: Deferred tax assets and liabilities are calculated based on the temporary differences between the values of the assets and liabilities included in the financial statements and their tax values. In calculating the deferred tax, the tax rates in effect as of the balance-sheet date are used pursuant to the applicable tax legislation. In calculating the deferred tax liabilities for any and all taxable temporary differences, the deferred tax liabilities consisting of deductible temporary differences are calculated with the proviso that it is highly probable to benefit from the said differences by obtaining taxable profit in the future. If the temporary difference related to the transaction not affecting the trade or financial profit/loss is caused due to the first recognition of the goodwill or the other assets and liabilities in the financial statements (except business combinations), the recognition of the said assets and liabilities is not possible.

Registered value of the deferred tax asset is reviewed as of each balance-sheet date. Registered value of the deferred tax asset is decreased proportionally if it is not probable to obtain financial profit at a level allowing to obtain the benefit to be provided by any part or the whole thereof.

Deferred tax assets and liabilities are setoff if there is a legal right to set-off the current tax assets against the current tax liabilities or the said assets and liabilities are associated to the income tax collected by the same tax authority or the company intends to make payment clarifying its current tax assets and liabilities.

Current and Deferred Tax of the Period: Except those associated with the items recognized as receivable or payable directly in the shareholders' equity (in which case, the deferred tax related to the relevant items is also directly recognized in the shareholders' equity) and those arising from the first recognition of the business combinations, the current tax and deferred tax are recognized as expense or income in the income statement.

(Note 20)

KAPİTAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Profit/Loss per Share

The profit/loss per share is determined by dividing the net profit/loss included in the income statement into the weighted average number of the shares existing during the period. The companies in Turkey may increase their capital-stock by distributing shares ("gratuitous shares") to their current shareholders in proportion with their shares from the accumulated profits and the account of shareholders' equity inflation adjustment difference. In calculating the profit/loss per share, these gratuitous shares are considered to be the shares issued. Therefore, the weighted share number average used in the calculation of profit/loss per share is obtained by retrospectively applying the issue of gratuitous shares. (Note 43)

l) Subsequent Events

Events after balance sheet date comprise any event between the balance sheet date and the date of authorization of the financial statements for publication, even if any event after balance sheet date occurred subsequent to an announcement on the Company's profit or following any financial information disclosed to public. (Note 46)

The Company adjusts the amounts recognized in its financial statements to reflect adjusting events after the balance sheet date if such subsequent events arise.

m) Financial Instruments and Financial Risk Management

The Company is subject to various financial risks due to its activities. These risks consist of credit risk, liquidity risk and market (exchange and interest rate) risk. The company's general risk management program is concentrated on minimizing the probable adverse effects caused by the instability at financial markets on the Company's financial performance.

Credit Risk: Consists of the customers exposed to the credit risk covering the deposits held in banks, uncollected receivables and the committed transactions. (Note 45.c)

Interest Rate Risk: The risk of a decrease in the value of an asset or financial instrument due to the changes in interest rates. This risk is generally managed by not holding at hand for a long time the assets affected from the changes in interests rates. (Note 45.e)

Liquidity Risk: Consists of the risk for lack of sufficient cash on hand or cash inflow at a level enabling the Company to fully meet the cash outflows in due time. It may arise regarding the market or funding. Refers to the probability of loss in cases where the Company fails to properly enter the market or fails in expeditiously closing out the positions at an appropriate price and in sufficient amounts due to the inactive market structure of certain products and the obstructions and separations at the market. (Note 45.f)

Exchange Rate Risk: The risk of a decrease in the value of an asset or financial instrument due to the changes in exchange rates or interest rates. (Note 45.d)

n) Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

o) Segment Reporting

The Company does not make segment reporting since it carries out its activities in one sector (factoring) and in only one geographical territory (Turkey).

KAPİTAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ KULLANIM MÜŞAVİRLİK
ANONİM ŞİRKETİ

ARENA FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise stated.)

NOT 4 – CASH AND CASH EQUIVALENTS

None. (December 31, 2011: None.)

NOT 5 – FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

None. (December 31, 2011: None.)

NOT 6 – BANKS

The detail of banks as of December 31, 2012 and December 31, 2011 is as follows:

	December 31, 2012		December 31, 2011	
	TRY	FC	TRY	FC
Demand Deposits	461.369	-	117.375	-
Total	461.369	-	117.375	-

The Company has no blocked bank accounts as collateral. (December 31, 2012: None.)

NOT 7 – RECEIVABLES FROM REVERSE REPURCHASE TRANSACTIONS

None. (December 31, 2011: None.)

NOT 8 – FINANCIAL ASSETS AVAILABLE FOR SALE

None. (December 31, 2011: None.)

NOT 9 – FACTORING RECEIVABLES

a) The detail of factoring receivables as of December 31, 2012 and December 31, 2011 is as follows:

	December 31, 2012		December 31, 2011	
	TRY	FC	TRY	FC
Domestic factoring receivables	38.713.372	-	50.211.980	-
Unearned factoring income (-)	(1.451.862)	-	(2.397.301)	-
Factoring Receivables, Net	37.261.510	-	47.814.679	-

b) The breakdown of maturities of the factoring receivables as of December 31, 2012 and December 31, 2011

December 31, 2012	Up to 1 Month	Between 1-3 Months	Between 3-6 Months	Between 3-6 Months	Total
Factoring Receivables (Net)	11.459.058	19.353.380	6.375.729	73.343	37.261.510
December 31, 2011	Up to 1 Month	Between 1-3 Months	Between 3-6 Months	Between 3-6 Months	Total
Factoring Receivables (Net)	17.022.614	16.775.699	13.653.891	362.475	47.814.679

KAPİTAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

ARENA FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise stated.)

NOT 9 – FACTORING RECEIVABLES (Continued)

c) The sectorial distribution of short-and long-term receivables factoring, rational basis is as follows:

Sector	December 31, 2012	December 31, 2012
Construction	19,93%	21,65%
Extraction of Non-Energy Source Minerals	12,17%	0,43%
Primary Metal Industries	11,28%	4,52%
Food and Beverage Industries	8,07%	11,75%
Machinery and Equipment	7,40%	9,48%
Textile and Textile Products	5,61%	5,02%
Health and Social Services	5,38%	0,63%
Electrical and Optical Tools	4,40%	2,57%
Timber and Timber Products	3,76%	1,44%
Transportation Vehicles	3,11%	2,20%
Rubber and Plastic Products	3,02%	2,41%
Transportation, Storage, Communication	2,86%	12,22%
Extraction of Energy Source Minerals	2,41%	1,13%
Hotels and Restaurants	2,21%	5,32%
Other Social and Personnel Services	2,16%	0,47%
Paper Raw Material and Production	1,19%	3,74%
Agriculture, Hunting and Forestry	0,96%	2,46%
Chemical and Chemical Products	0,95%	2,64%
Computer and Related Activities	0,79%	0,00%
Furniture Production	0,58%	0,00%
Leather and Leather Products	0,40%	0,01%
Electrical Machinery and Tool Not Classified in Another Place	0,33%	0,00%
Other Manufacturing Industry	0,33%	0,00%
Education	0,32%	0,00%
Research, Consulting, Advertisement and Other Activities	0,22%	0,00%
Electricity, Gas and Water Supplies	0,14%	5,56%
Other Non-Metal Mines	0,00%	0,71%
Wholesale and Retail Trade	0,00%	0,92%
Real Estate, Commission, Leasing, and Management Activities	0,00%	1,30%
Electrical Machinery and Tool Not Classified in Another Place	0,00%	1,39%
Total	100%	100%

d) Amount of collaterals received for the factoring receivables as of December 31, 2012 and December 31, 2011 is as follows:

	December 31, 2012		December 31, 2011	
	TRY	FC	TRY	FC
Guarantee cheques and notes	4.393.000	-	1.110.750	-
Total	4.393.000	-	1.110.750	-

KAPİTAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

ARENA FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise stated.)

NOTE 10 – FINANCING LOANS

None. (December 31, 2011: None.)

NOTE 11 – LEASING RECEIVABLES

None. (December 31, 2011: None.)

NOTE 12 – NON-PERFORMING RECEIVABLES

Aging of non-performing receivables is as follows:

	December 31, 2012	December 31, 2011
Receivables to be Liquidated (Between 90 – 180 days)	3.733.523	692.072
Receivables to be Liquidated (Between 180 – 360 days)	561.584	674.051
Receivables at Loss (Over 360 days)	2.099.901	1.345.590
Non – Performing Receivables from Factoring Receivables	6.395.008	2.711.713
Provisions (-)	(3.367.268)	(1.372.877)
Non-performing Receivables, net	3.027.740	1.338.836

Movement for the provision of factoring receivables is as follows:

	December 31, 2012	December 31, 2011
Beginning of Period, January 1	(1.372.877)	(70.906)
Charge for the Period (Note 41)	(2.054.303)	(1.322.254)
Reversal for the period (Note 39)	59.912	20.283
End of Period, December 31	(3.367.268)	(1.372.877)

NOTE 13 – DERIVATIVE FINANCIAL ASSETS HELD FOR RISK

None. (December 31, 2011: None.)

NOTE 14 – INVESTMENTS HELD TO MATURITY

None. (December 31, 2011: None.)

NOTE 15 – INVESTMENT IN SUBSIDIARIES

None. (December 31, 2011: None.)

NOTE 16 – INVESTMENT IN ASSOCIATES

None. (December 31, 2011: None.)

NOTE 17 – INVESTMENT IN JOINT VENTURES

None. (December 31, 2011: None.)

KAPİTAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

ARENA FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise stated.)

NOTE 18 – TANGIBLE ASSETS

a) Movement of tangible assets between January 1, 2012 – December 31, 2012 is as follows:

Cost	January 1, 2012	Additions	Disposals	December 31, 2012
Furniture and Fixtures	36.558	3.114	-	39.672
Machinery and Equipment	112.595	14.810	-	127.405
Leasehold Improvements	82.134	5.974	-	88.108
Total	231.287	23.898	-	255.185
Accumulated Depreciation				
Furniture and Fixtures	(7.409)	(7.312)	-	(14.721)
Machinery and Equipment	(19.789)	(26.506)	-	(46.295)
Leasehold Improvements	(23.127)	(17.310)	-	(40.437)
Total	(50.325)	(51.128)	-	(101.453)
Net Book Value	180.962	-	-	153.732

All tangible fixed assets of the Company are purchased from 3.parties. The Company has no tangible fixed asset constituted within the organization.

As of December 31, 2012 the insurance coverage on tangible fixed assets equals to TRY 858.

b) Movement of tangible assets between January 1, 2012 – December 31, 2012 is as follows:

Cost	January 1, 2012	Additions	Disposals	December 31, 2012
Furniture and Fixtures	10.568	25.990	-	36.558
Machinery and Equipment	30.609	81.986	-	112.595
Leasehold Improvements	40.910	41.224	-	82.134
Total	82.087	149.200	-	231.287
Accumulated Depreciation				
Furniture and Fixtures	(1.774)	(5.635)	-	(7.409)
Machinery and Equipment	(5.566)	(14.223)	-	(19.789)
Leasehold Improvements	(12.742)	(10.385)	-	(23.127)
Total	(20.082)	(30.243)	-	(50.325)
Net Book Value	62.005	-	-	180.962

All tangible fixed assets of the Company are purchased from 3.parties. The Company has no tangible fixed asset constituted within the organization.

As of December 31, 2011 the insurance coverage on tangible fixed assets equals to TRY 27.371.

KAPİTAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

ARENA FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise stated.)

NOTE 19 – INTANGIBLE ASSETS

a) Movement of tangible assets between January 1, 2012 – December 31, 2012 is as follows:

Cost	January 1, 2012	Additions	Disposals	December 31, 2012
Rights	252.909	-	-	252.909
Other	3.116	-	-	3.116
Total	256.025	-	-	256.025

Accumulated Depreciation

Rights	(62.982)	(82.569)	-	(145.551)
Other	(1.610)	(623)	-	(2.233)
Total	(64.592)	(83.192)	-	(147.784)

Net Book Value

191.433

108.241

All intangible fixed of the Company are purchased from 3.parties. The Company has no intangible fixed asset constituted within the organization.

b) Movement of tangible assets between January 1, 2011 – December 31, 2011 is as follows:

Cost	January 1, 2012	Additions	Disposals	December 31, 2012
Rights	85.769	167.140	-	252.909
Other	3.116	-	-	3.116
Total	88.885	167.140	-	256.025

Accumulated Depreciation

Rights	(23.465)	(39.517)	-	(62.982)
Other	(987)	(623)	-	(1.610)
Total	(24.452)	(40.140)	-	(64.592)

Net Book Value

64.433

191.433

All intangible assets of the Company are purchased from 3.parties. The Company has no intangible fixed asset constituted within the organization.

KAPİTAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

ARENA FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise stated.)

NOTE 20 – TAX ASSETS AND LIABILITIES

a) Current Year Corporate Tax Liability

The rate of corporate income tax is 20% in Turkey (this rate was also 20% in 2012) This rate is applied to the tax base which will be found after the expenses the deduction of which is not accepted pursuant to the tax laws are added to the commercial earnings of the corporations and the exemptions (such as exemption of participation earning) and the reductions (such as R&D and Grants and aids) as included in the tax laws are deducted therefrom.

Corporate tax returns are delivered to the relevant tax office between the first day and the end of the 25th business day of the fourth month following the month in which the accounting period is closed. The tax declared in the tax return is paid in one installment until the end of the month in which the tax return is delivered. However, the authorities empowered to make tax examination may examine the tax records within five years and the amounts of tax may change if any erroneous transaction is determined.

No other tax is paid unless any profit is distributed.

Corporate income tax payers calculate prepaid tax based on their taxable profits at a rate of 20% (this rate was also 20% for the fiscal year of 2011) for quarterly periods for the purpose of being setoff against the corporate income tax of the current taxation period and after having declared it until the 14th day of the month following the said period, pay the same until the end of the 17th day in the same month.

The financial losses indicated in the tax return may be deducted from the company's earnings pursuant to the Turkish tax legislation, provided that the time period therefor is limited to 5 years. However, the financial losses cannot be set off against the profits of the previous year.

Due to legal arrangements aforementioned above, the corporate tax liability of the Company as of December 31, 2012 and December 2011 are as follows:

	December 31, 2012
Provision for Current Corporate Income Tax	586.760
Prepaid Taxes and Funds Within The Period	(732.307)
Provision for End of Period Tax (Note 22)	(145.547)

	December 31, 2011
Provision for Current Corporate Income Tax	586.760
Prepaid Taxes and Funds Within The Period	(732.307)
Provision for End of Period Tax (Note 31)	(145.547)

b) Deferred Tax Assets/Liabilities

The Company calculates deferred tax assets and liabilities considering the temporary differences between the valuation of balance sheet items according to IFRS and in accordance with Turkish Commercial Code and Turkish Tax Legislation. These temporary differences give rise to accounting of revenues and expenses in different reporting periods according to IFRS and Tax Laws.

The breakdown of deferred tax assets and liabilities calculated based on current tax legislation (20%) as of December 31, 2012 and as of December 31, 2011 (20%) is as follows:

KAPITAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

ARENA FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise stated.)

NOTE 20 – TAX ASSETS AND LIABILITIES (Continued)

	December 31, 2012		December 31, 2011	
	Total Temporary Differences	Deferred Tax Assets/ (Liabilities)	Total Temporary Differences	Deferred Tax Assets/ (Liabilities)
Unearned Factoring Interest Income	1.451.866	290.373	2.397.301	479.460
Provision for Unused Leave of Absence Wages	60.521	12.104	30.577	6.115
Provision Employee Termination Benefits	23.266	4.653	16.351	3.270
Deferred Tax Assets	1.535.653	307.130	2.444.229	488.845
Fixed Assets	(79.057)	(15.811)	(63.025)	(12.605)
Deferred Tax Liabilities	(79.057)	(15.811)	(63.025)	(12.605)
Deferred Tax Assets (Net)	1.456.596	291.319	2.381.204	476.240

Movement of Deferred Tax Assets is as follows:

Deferred Tax Assets as of December 31, 2010	286.814
Deferred Tax Income of Year 2011	189.426
Deferred Tax Assets as of December 31, 2011	476.240
Deferred Tax Income of Year 2012	(184.921)
Deferred Tax Assets as of December 31, 2012	291.319

Reconciliation of the tax expense for the year with the profit for the year is as follows:

	December 31, 2012	December 31, 2011
Taxable Profit	3.117.783	2.342.854
Tax Calculated % 20 (2011: %20)	(623.557)	(468.571)
Effect of Non-allowable Expenses	(442.985)	(667.877)
Effect of Tax Exempt Income	479.782	438.977
Deferred Tax Income / (Expense)	(184.921)	189.426
Tax Income / (Expense)	(771.681)	(508.045)

NOTE 21 – ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None. (December 31, 2011: None.)

KAPİTAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

ARENA FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise stated.)

NOTE 22 – OTHER ASSETS

The detail of other assets as of December 31, 2012 and December 31, 2011 is as follows:

	December 31, 2012		December 31, 2011	
	TRY	FC	TRY	FC
Prepaid Taxes (See Note 20)	145.547	-	-	-
Cash Deposits Given for Lawsuits	71.391	-	89.158	-
Work Advances	8.498	-	27.835	-
Deposits Given	2.898	-	2.898	-
Other	9.528	-	5.830	-
Total	237.862	-	125.721	-

NOTE 23 – DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING

None. (December 31, 2011: None.)

NOTE 24 – FUNDS BORROWED

As of December 31, 2012 and December 31, 2011, the detail of short term financial liabilities is as follows:

	December 31, 2012		December 31, 2011	
	Interest Rate	Amount	Interest Rate	Amount
TRY Bank Loans	%7 - % 14,75	25.346.112	%13,95 - % 17,00	36.177.627
Total		25.346.112		36.177.627

The maturities of the bank loans as of December 31, 2012 are between January 2, 2013 – February 1, 2013
(The maturities of the bank loans as of December 31, 2012 are between January 2, 2012 – March 31, 2012.)

NOTE 25 – FACTORING PAYABLES

Factoring payables represents the amounts of collections on behalf of factoring customers but have not transferred to factoring customer accounts yet. The Company has TRY 114.983 factoring payables as of December 31, 2012. (December 31, 2011: TRY 33.727)

NOTE 26 – LEASING OBLIGATIONS

None. (December 31, 2011: None.)

NOTE 27 – MARKETABLE SECURITIES ISSUED

None. (December 31, 2011: None.)

KAPITAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

ARENA FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise stated.)

NOT 28 – MISCELLANEOUS PAYABLES

The detail of miscellaneous payables as of December 31, 2012 and December 31, 2011 is as follows:

	December 31, 2012		December 31, 2011	
	TRY	FC	TRY	FC
Trade Payables (*)	69.864	-	201.311	-
Due to Personnel	14.118	-	901	-
Total	83.982	-	202.212	-

(*) TRY 39.436 of trade payables consists of payables to related parties.(December 31, 2011: TRY 47.023 of trade payables consists of payables to related parties.) (See Note 44)

NOTE 29 – OTHER LIABILITIES

None. (December 31, 2011: None.)

NOTE 30 – DERIVATIVE FINANCIAL LIABILITIES HELD FOR RISK

None. (December 31, 2011: None.)

NOTE 31 – TAX AND DUTIES PAYABLE

As of December 31, 2012 and December 31, 2011, details of tax and duties payables are as follows:

	December 31, 2012	December 31, 2011
Provision for Corporate Tax (Note 20/a)	-	160.926
BITT Payable	52.784	62.969
Income Tax Payable	57.709	53.338
Social Security Premiums Payable	43.370	94.617
Stamp Tax Payable	1.325	1.283
Total	155.188	373.133

NOTE 32 – PROVISIONS

As of December 31, 2012 and December 31, 2011, details of provisions are as follows:

	December 31, 2012	December 31, 2011
Provision for Employee Termination Benefits	23.266	16.351
Provision for Unused Leave of Absence Wages	60.521	30.577
Total	83.787	46.928

KAPİTAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

ARENA FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise stated.)

NOTE 32 – PROVISIONS (Continued)

Employee Termination Benefits:

Under the Turkish Labor Law, the companies are required to pay termination benefits to each employee who has qualified for such amount at the end of its employment contract. Also, employees who are entitled to retirement are required to be paid retirement pay in accordance with the requirements of Act no. 2422 dated 6 March 1981, Act no. 4447 dated 25 August 1999 and the amended Article 60 of the existing Social Insurance Code no. 506. Some transitional provisions related to the pre-retirement service term were excluded from the scope of the Law since the related law was amended on 23 May 2002.

The severance payment to be made is equal to the salary of one month for every year and this amount is limited to TRY 3.033,98 as of December 31, 2012 (December 31, 2011: TRY 2.731,85)

The obligation of severance payment is not subject to any funding. The provision for severance pay is calculated through the prediction of the present value of the amount of probable liability arising from the retirement of the Company's employees. IAS 19 ("Employee Benefits") stipulates that the liabilities of the Company should be developed using actuarial valuation plans within the scope of the defined benefit plans. In this direction, the actuarial assumptions used in the calculation of total liabilities are specified herein below:

The principal assumption is that maximum amount of liability for each year of service should increase parallel to the inflation. Therefore, the rate of discount applied refers to the real rate expected after the adjustment of the effects of inflation in the future. For this reason, the provisions included as of December 31, 2012 in the financial statements enclosed herewith are calculated estimating the present value of the probable liability which may arise from the retirement of employees. The provisions as of the balance-sheet date have been calculated using the real rate of discount obtained as approximately 4,66% (December 31, 2011: 4,66%) according to the assumed inflation and discount rates of approximately 5,10% (December 31, 2011: 5,10%) and 10,00% (December 31, 2011: 10,00) per year respectively. The estimated rate of the amount of severance pay which will not be paid, but retained by the Company, as a result of voluntary employee withdrawals has also been taken into consideration. Ceiling of the severance pay is revised once every six months.

Movements of the provision for employee termination benefits for the period are as follows:

	2012	2011
Beginning of Period, January 1	(16.351)	(21.332)
Charge for the Period (Note 38/a)	(6.915)	-
Reversal for the period (Note 39)	-	4.981
End of Period, December 31	(23.266)	(16.351)

Provision for Unused Leave of Absence Wages:

Provision for leaves of absence calculated related with the leaves of absence wages which have arisen from the leaves of absence not used by the Company personnel during the previous years are as follows:

	2012	2011
Beginning of Period, January 1	(30.577)	-
Charge for the Period (Note 38/b)	(29.944)	(30.577)
Reversal for the period	-	-
End of Period, December 31	(60.521)	(30.577)

KAPİTAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

ARENA FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise stated.)

NOTE 33 – PAYABLES RELATED TO ASSETS FOR SALE AND DISCONTINUED OPERATIONS (NET)

None. (December 31, 2011: None.)

NOTE 34 – SUBORDINATED LOANS

None. (December 31, 2011: None.)

NOTE 35 – SHAREHOLDERS' EQUITY

a) Detail of Shareholders' Equity

As of December 31, 2012, the equity capital of the Company is TRY 15.757.721 (December 31, 2011: TRY 13.411.619) and the details related to equity capital are as follows:

	December 31, 2012	December 31, 2011
Paid-In Capital	10.000.000	10.000.000
Legal Reserves	216.217	124.123
Previous Year Profit/Loss	3.195.402	1.452.687
Net Profit/Loss for the Year	2.346.102	1.834.809
Shareholders' Equity	15.757.721	13.411.619

b) Paid-In Capital

As of December 31, 2012 the paid-in capital of the company is TRY 10.000.000 divided into 10.000.000 (December 31, 2012: 20.540.000) shares of 1 TRY nominal value each. There are no preference shares in paid in capital. (December 31, 2011: the paid-in capital of the company is TRY 10.000.000 divided into 10.000.000 shares of 1 TRY nominal value each.)

The breakdown of issued capital and paid in capital of shareholders as of December 31, 2012 and December 31, 2011 is as follows:

Name-Surname / Title	December 31, 2012		December 31, 2011	
	Share Percentage (%)	Share Amount	Share Percentage (%)	Share Amount
Mehmet Emin Hitay	89,96%	8.996.000	89,96%	8.996.000
Hitay Yatırım Holding	10,00%	1.000.000	10,00%	1.000.000
Hatice Çiğdem Hitay	0,01%	1.000	0,01%	1.000
Fatma Nilüfer Tünaydın	0,01%	1.000	0,01%	1.000
Eyüp Oğuzhan Hitay	0,01%	1.000	0,01%	1.000
Kerim Hitay	0,01%	1.000	0,01%	1.000
Total	100%	10.000.000	100%	10.000.000

KAPİTAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALLİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

ARENA FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise stated.)

NOTE 35 – SHAREHOLDERS' EQUITY (Continued)

c) Legal Reserves

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the amount that remains after the prior periods losses deducted from the after-tax profit at the rate of 5 % in accordance with the Turkish Commercial Code Law No: 466. The first legal reserve is appropriated until the total reserve reaches a maximum of 20% of the Company's issued capital. The secondary reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid in capital. Under the Turkish Commercial Code (TCC), the legal reserves can be used to offset losses and are not available for any other usage unless they exceed 50% of paid in capital. The Company has TRY 216.217 first legal reserves as of December 31, 2012. (December 31, 2011: TRY 124.123)

d) Profit / Loss of Previous Years

The Company has TRY 3.195.402 previous year profit as of December 31, 2012. (December 31, 2011: TRY 1.452.687 previous year profit.)

NOTE 36 – COMMITMENTS AND CONTINGENCIES

a) As of December 31, 2102 and 2011, the detail of guarantees received is presented in note 9/d.

b) As of December 31, 2102 and 2011, the detail of guarantees given is as follows.

	December 31, 2012		December 31, 2012	
	TRY	FC	TRY	FC
Guarantee Letters Gives	18.525	-	18.525	-
Total	18.525	-	18.525	-

The detail related to the guarantees/pledges/mortgages of the Company as of December 31, 2012 and December 31, 2011 is as follows:

Guarantees/Pledges/Mortgages Given by the Company	December 31, 2012	December 31, 2012
A. Total Amount of Guarantees/Pledges/Mortgages Given in the name of its own Legal Entity	18.525	18.525
B. Total Amount of Guarantees/Pledges/Mortgages Given in favor of Partnerships included within the scope Full Consolidation	-	-
C. Total Amount of Guarantees/Pledges/Mortgages Given as a Security in the name of Other Third Persons for the Conduction of its Ordinary Business Activities	-	-
D. Total Amount of Other Guarantees/Pledges/Mortgages Given	-	-
1) Total Amount of Guarantees/Pledges/Mortgages Given in favor of Parent	-	-
2) Total Amount of Guarantees/Pledges/Mortgages Given in favor of the other Group Companies not included within the scope of paragraphs B and C	-	-
3) Total Amount of Guarantees/Pledges/Mortgages Given in favor of Third Persons not included within the scope of paragraph C	-	-
Toplam	18.525	18.525

As of December 31, 2012, the ratio of the other Guarantees/Pledges/Mortgages Given by the Company to the Company's equity capital is 0,00% (December 31, 2011: 0,00%)

ARENA FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise stated.)

NOTE 36 – COMMITMENTS AND CONTINGENCIES (Continued)

c) As of December 31, 2012 and December 31, 2011 the items held in custody for the factoring receivables is as follows:

	December 31, 2012		December 31, 2011	
	TRY	FC	TRY	FC
Guarantee Cheques Received	37.161.586	4.326.778	48.803.173	894.184
Notes Receivables Received	2.197.425	13.103	3.108.203	241.000
Total	39.359.011	4.339.881	51.911.376	1.135.184

NOTE 37 – OPERATING INCOME

The detail of factoring income as of December 31, 2012 and December 31, 2011 is as follows:

	December 31, 2012	December 31, 2011
Interest Income From Factoring Receivables	13.822.605	11.978.213
Fees and Commissions from Factoring Receivables	807.754	745.659
Total	14.630.359	12.723.872

NOTE 38 – OPERATING EXPENSES

a) Operating expenses as of December 31, 2012 and December 31, 2011 is as follows:

	December 31, 2012	December 31, 2011
Personnel Expenses	(2.963.829)	(2.696.636)
General Administration Expenses	(1.555.332)	(1.374.589)
Employee Severance Indemnity Expense	(6.915)	-
Total	(4.526.076)	(4.071.225)

b) The detail of personnel expenses is as follows:

	December 31, 2012	December 31, 2011
Salaries and Fees	(2.450.344)	(2.307.365)
Social Security Premium Employer's Share	(248.657)	(248.367)
Food and Beverage Expenses	(61.712)	(67.273)
Severance and Termination Expenses	(128.142)	(6.405)
Unemployment Insurance Employers' Share	(30.485)	(27.756)
Provision for Unused Leave of Absence Wages	(29.944)	(30.577)
Other	(14.545)	(8.893)
Total	(2.963.829)	(2.696.636)

KAPİTAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

ARENA FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise stated.)

NOT 38 – OPERATING EXPENSES (Continued)

c) The detail of general administration expenses is as follows:

	December 31, 2012	December 31, 2011
Consultancy Expenses	(479.729)	(401.061)
Building and Car Leasing Expenses	(373.106)	(356.444)
Fuel and Other Transportation Expenses	(166.227)	(128.557)
Duties, Taxes and Levies	(56.454)	(93.815)
Communication Expenses	(85.047)	(76.913)
Amortization and Depreciation Expenses	(134.320)	(70.383)
Representation and Travel Expenses	(39.086)	(57.901)
Food Expenses	(13.821)	(43.196)
Non Deductible Expenses	(46.511)	(36.758)
Press and Stationery Expenses	(20.546)	(29.758)
Energy Expenses	(28.831)	(29.334)
IT Expenses	(39.996)	(26.789)
Other	(71.658)	(23.680)
Total	(1.555.332)	(1.374.589)

NOTE 39 – OTHER OPERATING INCOME

The detail of other operating income as of December 31, 2012 and December 31, 2011 is as follows:

	December 31, 2012	December 31, 2011
Income from Charged Expenses	222.309	-
Collections From Non-Performing Receivables (Note 12)	59.912	22.219
Cancelled Provisions for Employee Termination Benefits (Note 32)	-	4.981
Taxes and Duties Returns	-	7.986
Foreign Exchange Gains	12.832	525
Other Income	345	-
Total	295.398	35.711

KAPİTAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

ARENA FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise stated.)

NOT 40 – FINANCE EXPENSES

The detail of finance expenses as of December 31, 2012 and December 31, 2011 is as follows:

	December 31, 2012	December 31, 2011
Interest Expense On Funds Borrowed	(5.116.533)	(4.904.718)
Commission Expenses	(111.062)	(118.437)
Total	(5.227.595)	(5.023.155)

NOT 41 – PROVISION FOR NON-PERFORMING RECEIVABLES

The Company has accounted TRY 2.054.303 provision for non-performing receivables for the period between January 1- December 31, 2012. (December 31, 2011: TRY 1.322.254) (Note 12)

NOTE 42 – OTHER OPERATING EXPENSES

The detail of finance expenses as of December 31, 2012 and December 31, 2011 is as follows:

	December 31, 2012	December 31, 2011
Foreign Exchange Gains	-	95
Total	-	95

NOT 43 – EARNINGS PER SHARE

Earnings per share as of December 31, 2012 and December 31, 2011 is as follows:

	December 31, 2012	December 31, 2011
Weighted Average Number Shares	10.000.000	10.000.000
Net profit / (loss) for the year	2.346.102	1.834.809
Profit / (loss) Per Share	0,2346	0,1835

NOT 44 – RELATED PARTY EXPLANATIONS

a) The Company has no receivables from related parties as of December 31, 2012 and December 31, 2011.

b) The detail of payables due to related parties as of December 31, 2012 and December 31, 2011 is as follows.

	December 31, 2012	December 31, 2011
Miscellaneous Payables (Note 28)		
Hitay Yatırım Holding A.Ş.	24.520	26.623
Teknoloji Holding A.Ş.	12.243	14.469
Teknoser A.Ş.	1.585	4.799
Nadir Gayrimenkul Geliştirme Yatırım ve Tic. A.Ş.	1.088	1.132
Total	39.436	47.023

KAPİTAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

ARENA FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise stated.)

NOT 44 – RELATED PARTY EXPLANATIONS (Continued)

c) The detail of transactions with related parties is as follows:

Expenses	December 31, 2012	December 31, 2011
Teknoloji Holding A.Ş.	136.408	175.355
Consultancy Expenses	-	35.400
Expenses related with Building	88.523	96.930
General Administration Expenses	36.671	5.174
Communication Expenses	1.376	1.153
Travel Expenses	9.838	9.594
IT Expenses	-	26.590
Other	-	514
Hitay Yatırım Holding A.Ş.	262.387	208.002
Consultancy Expenses	212.400	177.000
General Administration Expenses	19.660	15.625
Communication Expenses	12.228	4.073
Travel Expenses	18.099	6.154
IT Expenses	-	2.790
Other	-	2.360
Nadir Gayrimenkul Geliştirme Yatırım ve Tic. A.Ş.	12.842	4.641
Travel Expenses	12.842	4.641
Teknoser A.Ş.	41.615	35.504
IT Expenses	30.119	35.504
Travel Expenses	11.496	
Total	453.252	423.502

d) As of December 31, 2012, salaries and other fringe benefits provided to top management amounts to TRY 459.523 (As of December 31, 2011, salaries and other fringe benefits provided to top management amounts to TRY 319.000)

KAPİTAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

ARENA FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise stated.)

NOT 45 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

a) Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

	December 31, 2012	December 31, 2011
Total Debt	(25.784.052)	(36.833.627)
Less: Cash and cash equivalents	461.369	117.375
Net debt	(25.322.683)	(36.716.252)
Total Equity	15.757.721	13.411.619
Debt / Total Capital Ratio	0,62	0,37

b) Significant Accounting Policies

Significant Accounting Policies about financial instruments have been explained in Note 3 "Significant Accounting Policies"

c) Credit Risk Management

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company monitors credit risk by limiting the transactions entered into with certain parties and evaluating the reliability of the parties with whom transactions are conducted. The Company is exposed to credit risk as a result of its factoring operations. In line with the procedures established by the Company, the status of the factoring receivables is continuously monitored and credit risk is assessed by conducting detailed investigation of the debtors included in the factoring portfolio and obtaining appropriate guarantees. The Company continuously monitors defaults of customers and other counterparties identified either individually or by group in order to minimize the credit risk.

The factoring receivables are distributed to various sectors, and several clients.

Factoring receivables of the clients are continuously monitored and assessed.

KAPİTAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

ARENA FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise stated.)

NOT 45 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

The credit risks exposed by financial derivatives are as follows:

Current Period	Factoring Receivables	Non- Performing Receivables	Other Assets	Deposits at banks
Maximum credit risk exposed to as reporting date (*)	37.261.510	3.027.740	237.862	461.369
A. Carrying amount of financial assets not overdue or not impaired	37.261.510	-	237.862	461.369
B. Carrying amount of financial assets with rediscussed conditions, that are considered overdue or impaired if not rediscussed	-	-	-	-
C. Carrying amount of financial assets overdue but not impaired	-	-	-	-
- Amount secured via guarantees	-	-	-	-
D. Net book values of assets subject to impairment	-	3.027.740	-	-
- Overdue (gross book value)	-	6.395.008	-	-
- Impairment (-)	-	(3.367.268)	-	-
- Net value secured via guarantee, etc. (*)	-	-	-	-
- Not overdue (gross book value)	-	-	-	-
- Impairment (-)	-	-	-	-
- That part of net value secured under guarantee, etc. (*)	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-

(*) Elements ensuring an increase in the credibility such as guarantees received in determining the said amounts have not been taken into consideration.

Previous Period	Factoring Receivables	Non- Performing Receivables	Other Assets	Deposits at banks
Maximum credit risk exposed to as reporting date (*)	47.814.679	1.338.836	125.721	117.375
A. Carrying amount of financial assets not overdue or not impaired	47.814.679	-	125.721	117.375
B. Carrying amount of financial assets with rediscussed conditions, that are considered overdue or impaired if not rediscussed	-	-	-	-
C. Carrying amount of financial assets overdue but not impaired	-	-	-	-
- Amount secured via guarantees	-	-	-	-
D. Net book values of assets subject to impairment	-	1.338.836	-	-
- Overdue (gross book value)	-	2.711.713	-	-
- Impairment (-)	-	(1.372.877)	-	-
- Net value secured via guarantee, etc. (*)	-	-	-	-
- Not overdue (gross book value)	-	-	-	-
- Impairment (-)	-	-	-	-
- That part of net value secured under guarantee, etc. (*)	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-

(*) Elements ensuring an increase in the credibility such as guarantees received in determining the said amounts have not been taken into consideration.

KAPİTAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

NOTE 45 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

d) Currency Exchange Risk Management

The Company has no assets and liabilities in terms of foreign currency and is not exposed to foreign exchange currency risk.

e) Interest Rate Risk Management

The fact that the changes in the interest rates at the market lead to fluctuation in prices of the financial instruments obligates the Company to cope with the risk of interest rate. Sensitivity of the Company to the risk of interest rate is related to the inconsistency in the due dates of the accounts in the assets and liabilities. This risk is managed by meeting the assets affected from the changes in the interest rate with the liabilities of the same type.

The Company assets and liabilities as of December 31, 2012 and December 31, 2011 which is presented in liquidity risk mostly matches with the interest risk, therefore no additional table for interest risk have been presented in footnotes.

Weighted average effective interest rate of financial instruments as of December 31, 2012 and December 31, 2011 is as follows:

	December 31, 2012	December 31, 2011
	TRY (%)	TRY (%)
Assets		
Factoring Receivables	23,88	22,23
Liabilities		
Funds Borrowed	8,66	12,1

The Company's financial instruments that have interest rate sensitivity as of December 31, 2012 and December 31, 2011 are as follows:

	Carrying Value	
	December 31, 2012	December 31, 2011
Financials Assets		
Fixed Rate		
Factoring Receivables	37.261.510	47.814.679
Funds Borrowed	-	-
Floating Rate		
Funds Borrowed	(25.346.112)	(36.177.627)

ARENA FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise stated.)

NOTE 45 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

f) Distribution of derivative and non-derivative financial liabilities according to their remaining maturity times is as follows:

In the table herein below, the liabilities of the Company have been prepared without being discounted and taking the earliest due dates as basis. The interests to be paid based on the said liabilities are included in the table.

As of December 31, 2012:

Contractual Maturities	Carrying Amount	Total Cash Outflow in accordance with the agreement	Up to 3 Months	3-12 Months	1-5 Year
Funds Borrowed	(25.346.112)	(25.346.112)	(25.346.112)	-	-
Factoring Liabilities	(114.983)	(114.983)	(114.983)	-	-
Miscellaneous Liabilities	(83.982)	(83.982)	(83.982)	-	-

As of December 31, 2011:

Contractual Maturities	Carrying Amount	Total Cash Outflow in accordance with the agreement	Up to 3 Months	3-12 Months	1-5 Year
Funds Borrowed	(36.177.627)	(36.177.627)	(36.177.627)	-	-
Factoring Liabilities	(33.727)	(33.727)	(33.727)	-	-
Miscellaneous Liabilities	(202.212)	(202.212)	(202.212)	-	-

g) Financial Instrument Categories

	Financial Assets at amortized cost	Loans and Receivables	Other financial liabilities at amortized cost	Carrying Values	Fair Value	Note
Current Period:						
Financial Assets						
Banks	461.369	-	-	461.369	461.369	6
Factoring Receivables	-	37.261.510	-	37.261.510	37.261.510	9
Financial Liabilities						
Funds Borrowed	-	-	25.346.112	25.346.112	25.346.112	24
Factoring Payables	-	-	114.983	114.983	114.983	25
Miscellaneous Liabilities	-	-	83.982	83.982	83.982	28

KAPİTAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ

ARENA FAKTORİNG ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2012

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise stated.)

NOTE 45 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

	Financial Assets at amortized cost	Loans and Receivables	Other financial liabilities at amortized cost	Carrying Values	Fair Value	Note
Previous Period:						
Financial Assets						
Banks	117.375	-	-	117.375	117.375	6
Factoring Receivables	-	47.814.679	-	47.814.679	47.814.679	9
Financial Liabilities						
Funds Borrowed	-	-	36.177.627	36.177.627	36.177.627	24
Factoring Payables	-	-	33.727	33.727	33.727	25
Miscellaneous Liabilities	-	-	202.212	202.212	202.212	28

NOTE 46 – SUBSEQUENT EVENTS

The Company, by the decision of Board of Directors no: 2013/5 dated March 20, 2013, has decided to change all agencies to branch offices and to obtain permission from BRSA.

NOTE 47 – OTHER ISSUES REQUIRED TO BE EXPLAINED

None.

KAPİTAL KARDEN
BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK
ANONİM ŞİRKETİ