CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

(Formerly ALTINYILDIZ MENSUCAT VE KONFEKSİYON FABRİKALARI A.Ş.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2014 TO 30 JUNE 2014 TOGETHER WITH INDEPENDENT AUDITOR'S REVIEW REPORT

CONVENIENCE TRANSLATION INTO ENGLISH OF REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION ORIGINALLY ISSUED IN TURKISH

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

To the Board of Directors of
Boyner Perakende ve Tekstil Yatırımları A.Ş.

Introduction

1. We have reviewed the accompanying condensed consolidated balance sheet of Boyner Perakende ve Tekstil Yatırımları A.Ş. and its subsidiaries (the "Group") as at 30 June 2014 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended. The management of the Group is responsible for the preparation and fair presentation of this interim financial information in accordance with Turkish Accounting Standard 34 ("TAS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

2. We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and the objective of which is to express an opinion on the financial statements. Consequently, a review on the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified conclusion

3. As disclosed in Note 6, the Group's associate, Nile Bosphorus Retail and Trading Company ("Nile Bosphorus") which is required to be accounted for by using the equity method, is carried at cost at the amount of TRY5.472.508 in the condensed consolidated financial statements since the associate does not prepare its financial statements in accordance with TAS 34. As of 30 June 2014, considering the uncertainty in Egypt's economical and political environment , we could not ensure ourselves regarding the recoverability of the carrying amount of Nile Bosphorus and receivables from Nile Bosphorus amounting to TRY2.977.839.

Qualified Conclusion

4. Based on our review, except for the effects of the matters described in paragraph 3, nothing has come to our attention that causes us to conclude that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with TAS 34.

Additional paragraph for convenience translation into English

5. The accounting principles described in Note 2 to the condensed consolidated interim financial information (defined as TAS 34) differ from International Accounting Standards 34 ("IAS 34") issued by International Accounting Standards Board with respect to the application of "Business combinations of entities under common control". Accordingly, the accompanying condensed consolidated interim financial information of Boyner Perakende ve Tekstil Yatırımları A.Ş. are not intended to present the financial position and results of operations of the Group in accordance with IAS 34.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers

Cihan Harman, SMMM
Partner

İstanbul, 26 August 2014

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY-30 JUNE 2014

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BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2014 AND 31 DECEMBER 2013

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise stated.)

		Reviewed	Audited
	Notes	**30 June 2014**	**31 December 2013**
ASSETS			
Current Assets		**1.627.005.977**	**1.630.693.677**
Cash and cash equivalents	5	233.314.018	289.556.875
Trade receivables	9	375.863.997	378.482.245
- *Trade receivables from related parties*	*9, 27*	*41.300.795*	*38.710.794*
- *Trade receivables from third parties*	*9*	*334.563.202*	*339.771.451*
Other receivables	10	45.273.222	44.571.064
- *Other receivables from related parties*	*10, 27*	*42.134.533*	*37.428.301*
- *Other receivables from third parties*	*10*	*3.138.689*	*7.142.763*
Inventories	11	842.739.293	814.280.963
Prepaid expenses		35.312.446	27.631.057
Other current assets	17	94.503.001	76.171.473
Non-current assets		**2.248.266.549**	**2.272.340.911**
Financial investments	6	121.284	121.284
Trade receivables	9	13.094.086	13.353.049
- *Trade receivables from related parties*	*9, 27*	*2.977.839*	*2.993.125*
- *Trade receivables from third parties*	*9*	*10.116.247*	*10.359.924*
Other receivables	10	1.479.651	1.479.303
- *Other receivables from third parties*	*10*	*1.479.651*	*1.479.303*
Investments accounted for using the equity method	6	12.665.680	12.141.961
Investment properties	12	121.365.267	121.350.000
Property, plant and equipment	13	269.306.719	269.256.111
Intangible assets		1.798.272.956	1.819.374.956
- *Goodwill*	*3*	*796.129.432*	*796.129.432*
- *Other intangible assets*	*14*	*1.002.143.524*	*1.023.245.524*
Prepaid expenses		325.259	847.324
Deferred income tax assets	25	21.950.796	25.021.839
Other non-current assets	17	9.684.851	9.395.084
TOTAL ASSETS		**3.875.272.526**	**3.903.034.588**

As disclosed in Note 3, fair value exercise of the Group which was not finalized as of 31 December 2013, has been finalized as of 31 May 2014 in accordance with TAS and the fair value of the disclosed brands has been recognized retrospectively in the condensed interim consolidated financial statements.

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2014 AND 31 DECEMBER 2013

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

	Notes	Reviewed 30 June 2014	Audited 31 December 2013
LIABILITIES			
Current liabilities		**3.008.392.171**	**2.181.439.576**
Short-term financial liabilities	7	732.617.411	528.033.425
Current portion of long-term financial liabilities	7	340.758.019	390.944.712
Other financial liabilities	8	138.421.672	58.629.605
Trade payables	9	883.943.408	919.037.377
- *Trade payables to related parties*	*9, 27*	*12.284.543*	*50.347.023*
- *Trade payables to third parties*	*9*	*871.658.865*	*868.690.354*
Employee benefits payable		19.647.850	17.980.710
Other payables	10	741.364.937	129.745.739
- *Other payables to related parties*	*10, 27*	*31.736.625*	*41.349.748*
- *Other payables to third parties*	*10*	*709.628.312*	*88.395.991*
Deferred revenue		117.835.380	98.922.159
Current income tax liabilities	25	3.973.168	6.827.836
Short term provisions		21.610.145	22.433.341
- *Provisions for employee benefits*	*15*	*10.013.741*	*10.894.799*
- *Other short term provisions*	*15*	*11.596.404*	*11.538.542*
Other short-term liabilities	17	8.220.181	8.884.672
Non-current liabilities		**629.524.901**	**1.360.095.219**
Long term financial liabilities	7	334.798.655	376.561.976
Other payables	10	53.186.489	732.289.853
- *Other payables to third parties*	*10*	*53.186.489*	*732.289.853*
Long term provisions		23.209.541	21.536.781
- *Provisions for employee benefits*		*23.209.541*	*21.536.781*
Deferred revenue		13.816.990	12.449.262
Deferred income tax liability	25	204.513.226	217.257.347
EQUITY		**237.355.454**	**361.499.793**
Equity attributable to owners of the parent		225.336.142	348.767.251
Paid-in share capital	18	40.000.000	40.000.000
Adjustments to share capital	18	56.061.369	56.061.369
Other comprehensive income/(expenses) not to be reclassified to profit or loss		6.885.113	17.662.801
- *Revaluation and re-measurement income*	*18*	*21.000.500*	*29.805.030*
- *Other losses*		*36.560*	*36.560*
- *Actuarial loss*		*(14.151.947)*	*(12.178.789)*
Other comprehensive income/(expenses) to be reclassified to profit or loss		(966.671)	(935.086)
- *Currency translation differences*		*(966.671)*	*(935.086)*
Impact of business combinations of entities under common control	18	(307.876.666)	(307.876.666)
Restricted reserves	18	33.451.107	33.451.107
Retained earnings		519.208.256	82.367.106
Net (loss)/profit for the period		(121.426.366)	428.036.620
Non-controlling interests		**12.019.312**	**12.732.542**
TOTAL LIABILITIES		**3.875.272.526**	**3.903.034.588**

As disclosed in Note 3, fair value exercise of the Group which was not finalized as of 31 December 2013, has been finalized as of 31 May 2014 in accordance with TAS and the fair value of the disclosed brands has been recognized retrospectively in the condensed interim consolidated financial statements.

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIODS ENDED 30 JUNE 2014 AND 2013

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

	Notes	Reviewed 1 January- 30 June 2014	Unaudited 1 April - 30 June 2014	Audited 1 January - 30 June 2013	Unaudited 1 April- 30 June 2013
INCOME OR LOSS					
Revenue	19	1.400.614.239	718.785.575	410.319.628	297.358.522
Cost of sales (-)	19	(850.575.072)	(412.410.056)	(259.393.815)	(183.638.772)
GROSS PROFIT		**550.039.167**	**306.375.519**	**150.925.813**	**113.719.750**
Marketing expenses (-)	20	(431.363.956)	(225.450.927)	(122.374.796)	(85.426.922)
General administrative expenses (-)	20	(116.581.496)	(62.892.761)	(31.968.886)	(22.200.213)
Research and development expenses (-)	20	(2.551.641)	(1.235.782)	(2.205.571)	(552.604)
Other operating income	21	106.332.672	34.495.877	20.930.731	9.078.627
Other operating expenses(-)	21	(96.699.731)	(23.990.811)	(26.325.845)	(16.376.168)
OPERATING INCOME/(LOSS)		**9.175.015**	**27.301.115**	**(11.018.554)**	**(1.757.530)**
Income from investing activities	22	5.703	5.411	626.088.315	626.088.315
Expenses related to investing activities (-)	22	(271.210)	(8.707)	(90.000)	-
Share of profit of investments accounted for using the equity method	6	1.118.919	593.349	6.832.437	4.841.709
OPERATING PROFIT BEFORE FINANCIAL INCOME		**10.028.427**	**27.891.168**	**621.812.198**	**629.172.494**
Financial income	23	26.341.104	14.643.481	5.186.628	1.820.152
Financial expenses (-)	24	(160.759.867)	(60.966.605)	(88.931.081)	(63.254.101)
(LOSS)/PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**(124.390.336)**	**(18.431.956)**	**538.067.745**	**567.738.545**
- *Taxes on income*	*25*	*(6.929.049)*	*(4.001.570)*	*(2.030.048)*	*(2.030.048)*
- *Deferred tax income*	*25*	*9.179.789*	*4.191.449*	*4.787.617*	*3.462.366*
(LOSS)/PROFIT FROM CONTINUING OPERATIONS		**(122.139.596)**	**(18.242.077)**	**540.825.314**	**569.170.863**
NET (LOSS)/PROFIT FOR THE PERIOD		**(122.139.596)**	**(18.242.077)**	**540.825.314**	**569.170.863**
(Loss)/Profit for the period attributable to					
Non-controlling interest		(713.230)	50.146	948.250	948.250
Equity holders of the parent		(121.426.366)	(18.292.223)	539.877.064	568.222.613
(Loss)/Earnings per share					
Earnings per share from continued operations	26	(3,04)	(0,46)	13,49	14,20
Earnings per share from discontinued operations		-	-	-	-
OTHER COMPREHENSIVE LOSS					
Items not to be classified to profit or loss					
Actuarial loss		(2.466.448)	(1.060.434)	(958.750)	(718.789)
Other gain		-	-	405.387	405.387
Deferred income tax		493.290	212.087	191.750	143.758
Items to be classified to profit or loss					
Currency translation differences		(31.585)	151.263	(329.844)	(82.461)
OTHER COMPREHENSIVE LOSS		**(2.004.743)**	**(697.084)**	**(691.457)**	**(252.105)**
TOTAL COMPREHENSIVE (LOSS)/INCOME		**(124.144.339)**	**(18.939.161)**	**540.133.857**	**568.918.758**
Total comprehensive (loss)/income attributable to					
Non-controlling interests		(713.230)	50.145	948.250	948.250
Owners of the parent		(123.431.109)	(18.989.306)	539.185.607	567.970.508

Boyner Perakende acquired the 50,01% shares of Beymen Mağazacılık A.Ş. and 30,05% shares of Boyner Büyük Mağazacılık A.Ş. owned by Fennella Sarl on 31 May 2013. The acquirer remeasures the fair value of the previously held equity interest in the acquire at the acquisition date and the gain and loss on the previously held equity interest if any is recognized in the statement of profit or loss in the step acquisitions. One time fair value increase amounting to TRY 625.612.315 related to this transaction has been accounted for as "fair value gains of the previously held interest in the acquiree (Note 3 and 22).

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

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY FOR THE PERIODS ENDED 30 JUNE 2014 AND 30 JUNE 2013

(Amounts expressed in Turkish (“TRY”) unless otherwise stated.)

			Other comprehensive income to be reclassified to profit or loss	Other comprehensive income and expense not to be reclassified to profit or loss									
				Gain/(loss) on revaluation and re-measurement		Other gain or losses							
	Paid in share capital	Adjustments to share capital	Currency translation difference	Revaluation reserve of property, plant and equipment	Actuarial loss	Shares of associates in accounted for using the equity method to be classified from other comprehensive income to net income	Impact of business combinations of entities under common control	Restrictive reserves	Retained earnings	Net loss for the period	Equity attributable to parent	Non-controlling interest	Total equity
Balance at 1 January 2013 (*)	**40.000.000**	**56.061.369**	**(425.270)**	**74.881.785**	**(8.944.772)**	**(1.936.404)**	**(238.892.452)**	**33.451.107**	**98.821.488**	**(61.531.137)**	**(8.514.286)**	**5.065.894**	**(3.448.392)**
Transfers	-	-	-	-	-	-	-	-	(61.531.137)	61.531.137	-	-	-
Total comprehensive income	-	-	(329.844)	-	(767.000)	405.387	-	-	-	539.877.064	539.185.607	948.250	540.133.857
Non-controlling interests arising on business combinations (Note 3)	-	-	-	-	-	1.524.584	-	-	-	-	1.524.584	157.830.330	159.354.914
Balance at 30 June 2013	**40.000.000**	**56.061.369**	**(755.114)**	**74.881.785**	**(9.711.772)**	**(6.433)**	**(238.892.452)**	**33.451.107**	**37.290.351**	**539.877.064**	**532.195.905**	**163.844.474**	**696.040.379**
Balance at 1 January 2014	**40.000.000**	**56.061.369**	**(935.086)**	**29.805.030**	**(12.178.789)**	**36.560**	**(307.876.666)**	**33.451.107**	**82.367.106**	**428.036.620**	**348.767.251**	**12.732.542**	**361.499.793**
Transfers	-	-	-	-	-	-	-	-	428.036.620	(428.036.620)	-	-	-
Total comprehensive income	-	-	(31.585)	-	(1.973.158)	-	-	-	-	(121.426.366)	(123.431.109)	(713.230)	(124.144.339)
Revaluation reserve of property, plant and equipment (Note 18)	-	-	-	(8.804.530)	-	-	-	-	8.804.530	-	-	-	-
Balance at 30 June 2014	**40.000.000**	**56.061.369**	**(966.671)**	**21.000.500**	**(14.151.947)**	**36.560**	**(307.876.666)**	**33.451.107**	**519.208.256**	**(121.426.366)**	**225.336.142**	**12.019.312**	**237.355.454**

(*) The balance as of 1 January 2013 has been restated. The effects of restatements are disclosed in the consolidated financial statements of the Group as of 31 December 2013.

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE PERIODS ENDED 30 JUNE 2014 AND 2013

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

	Notes	Reviewed 1 January - 30 June 2014	Audited 1 January - 30 June 2013
A. CASH FLOWS FROM OPERATING ACTIVITIES		**(35.058.623)**	**(10.721.930)**
(Loss)/profit before tax from continuing operations		**(124.390.336)**	**538.067.745**
Adjustments to reconcile profit / (loss) for the period		**164.254.458**	**(535.711.918)**
Depreciation and amortization	13,14	55.314.702	15.185.827
Provision for doubtful receivables	9	510.319	599.953
Provision for employment termination benefits		1.532.039	1.116.679
Provision for impairment of inventories	11	2.717.417	3.308.153
Adjustments related to interest income		(4.799.661)	(1.905.838)
Adjustments related to interest expenses		105.232.567	54.668.966
Changes in fair value of previously held equity interests	22	-	(625.612.315)
Provision for unused vacation rights	15	(881.058)	2.508.369
Provision for litigation	15	183.416	142.187
Provision for sales returns	15	8.043.476	918.497
Other short-term provisions	15	496.809	-
(Gain)/loss on sale of non-current assets		265.507	(72.548)
Share of profit of investments accounted for using the equity method	6	(523.719)	(9.486.373)
Loss on sale of real estate held for sale	22	-	90.000
Expenses related to closed stores	13	-	3.834.362
Unaccrued finance income/expense		(1.281.231)	(1.257.855)
Unrealized foreign exchange (gain)/loss		(2.556.125)	20.250.018
Changes in net working capital		**(66.587.682)**	**(12.627.882)**
Adjustments related to increase/decrease in inventories		(31.175.747)	3.971.914
Adjustments related to increase/decrease in trade and other receivables		80.376.451	29.420.971
Adjustments related to increase/decrease in trade and other receivables from related parties		(7.212.742)	29.331.005
Adjustments related to increase/decrease in prepaid expenses		(7.159.323)	(7.924.663)
Adjustments related to increase/decrease in other current and non-current assets		(18.621.295)	(4.680.803)
Adjustments related to increase/decrease in deferred revenue		20.280.947	42.548.706
Adjustments related to increase/decrease in employee benefits payable		1.667.140	2.276.519
Adjustments related to increase/decrease in trade and other payables		(52.677.989)	42.335.113
Adjustments related to increase/decrease in trade and other payables to related parties		(47.355.418)	(141.469.264)
Adjustments related to increase/decrease in other liabilities		(664.491)	(6.871.563)
Litigation provisions paid	15	(495.349)	(104.126)
Other provisions paid	15	(33.772)	-
Employee termination benefits paid		(3.516.094)	(1.461.691)
Net cash generated from operating activities		**(8.335.063)**	**(449.871)**
Income tax paid	25	(9.783.717)	(1.312.307)
Collection of doubtful receivables	9	1.448.654	862.436
B. CASH FLOWS FROM INVESTING ACTIVITIES		**(34.535.028)**	**134.791.962**
Acquisition of shares in other entities or funds or debt instruments		-	142.870.395
Purchases of property, equipment and intangible assets	13,14	(34.519.761)	(8.365.008)
Proceeds from disposal of non-current assets held for sale		-	340.000
Purchases of investment properties	12	(15.267)	(53.425)
C. CASH FLOWS FROM FINANCING ACTIVITIES		**13.382.379**	**67.625.228**
Interest paid		(104.042.197)	(53.564.203)
Interest and commission received		4.799.661	885.561
Proceeds from bank borrowings		112.624.915	120.303.870
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF CURRENCY TRANSLATION DIFFERENCES (A+B+C)		**(56.211.272)**	**191.695.260**
D. EFFECT OF CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS		**(31.585)**	**(329.844)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**(56.242.857)**	**191.365.416**
(DECREASE)/INCREASE IN RESTRICTED CASH	**5**	**(1.366.963)**	**(17.281.488)**
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**5**	**289.556.875**	**35.704.305**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD ((A+B+C+D+E)	**5**	**231.947.055**	**209.788.233**

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

NOTE 1 - GROUP'S ORGANIZATION AND NATURE OF ACTIVITIES

Boyner Perakende ve Tekstil Yatırımları A.Ş. ("Company" or "Boyner Perakende") incorporated by Boyner Holding A.Ş. ("Boyner Holding") on 26 January 1952. The title of the Company formerly named as "Altınyıldız Mensucat ve Konfeksiyon Fabrikaları A.Ş." is changed as "Boyner Perakende ve Tekstil Yatırımları A.Ş." in accordance with the decision of the Board of Directors dated 27 January 2014, the approval of Capital Markets Board ("CMB") and the Republic of Turkey the Ministry of Customs and Trade on 10 April 2014. The ultimate parent of the Company as at 30 June 2014 and 31 December 2013 is Boyner Holding. The Company is registered to CMB and 15% of its shares were offered to İstanbul Stock Exchange ("ISE") for the first time in 1991.

The registered address of the Company is Eski Büyükdere Caddesi No: 14 Park Plaza K 15-16, Maslak, Sarıyer, İstanbul.

The core business of the Group is the investments of retail and production of textile and ready-to-wear products. The Company operates in retail industry through its subsidiaries AY Marka Mağazacılık A.Ş. ("AY Marka"), Boyner Büyük Mağazacılık A.Ş. ("BBM") and Beymen Mağazacılık A.Ş. ("Beymen") and in real estate industry, textile and ready-to-wear clothing industries through its subsidiaries BYN Gayrimenkul Geliştirme A.Ş. ("BYN") and Altınyıldız Tekstil ve Konfeksiyon A.Ş. ("AYTK" formerly known as Altınyıldız Gayrimenkul Yatırım ve Geliştirme A.Ş.). The subsidiaries of the Company, Alticom GmbH incorporated in Germany and Altınyıldız Corporation incorporated in USA operates in foreign markets for the sale and marketing of textile products. The Company together with its consolidated subsidiaries will be referred to as the "Group" hereafter.

The Group owns retail space of 363.313 square meter (31 December 2013: 351.751 square meter) and 392 stores (31 December 2013: 383 stores) as of 30 June 2014.

The condensed interim consolidated financial statements as at and for the interim period ended 30 June 2014 have been approved and authorized for issue on 26 August 2014 by the Board of Directors.

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

The accompanying condensed interim consolidated financial statements are prepared in accordance with Communiqué Serial II, No: 14.1, "Principles of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué, condensed interim consolidated financial statements are prepared in accordance with the Turkish Accounting Standards ("TAS") issued by Public Oversight Accounting and Auditing Standards Authority ("POAASA"). TAS contains Turkish Accounting Standards, Turkish Financial Reporting Standards ("TFRS") and its addendum and interpretations ("TFRIC").

The Group prepared its condensed interim consolidated financial statements for the period ended 30 June 2014 in accordance with the TAS 34 "Interim Financial Reporting" ("TAS 34") in the framework of the Communique Serial XII and numbered 14.1 and its related announcements. The condensed interim consolidated financial statements and its accompanying notes are presented in compliance with the format recommended by CMB, including its mandatory information.

In accordance with the TAS 34, entities are allowed to prepare a complete or condensed set of interim financial statements. In this framework, the Group has preferred to prepare condensed consolidated financial statements in the interim periods.

In accordance with the CMB resolution issued on 17 March 2005, listed companies operating in Turkey are not subject to inflation accounting effective from 1 January 2005. Therefore, the condensed interim consolidated financial statements of the Group have been prepared accordingly.

The Group and its subsidiaries registered in Turkey maintains their accounting records and prepares their statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB. The foreign subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. These condensed interim consolidated financial statements have been prepared under historical cost conventions except for financial assets, financial liabilities and investment properties which are carried at fair value. The condensed interim consolidated financial statements are based on the statutory records, which are maintained under historical cost conventions, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with TAS.

Going concern assumption

The condensed interim consolidated financial statements of the Group have been prepared assuming that the Company and its fully consolidated subsidiaries will continue as a going concern on the basis that the Group will be able to realize its assets and discharge its liabilities in the normal course of business.

As of 30 June 2014, total current liabilities of the Group exceeded its total current assets by TRY 1.381.386.194. In 2014, the Group plans to decrease its current liabilities through restructuring its short term borrowings with long term borrowings.

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

2.2 Seasonality of operations

The condensed interim consolidated financial statements may include the effects of the seasonal variations. Therefore, the results of business operations for the first six months up to 30 June 2014 may not necessarily constitute an indicator for the results to be expected for the overall fiscal year.

2.3 Significant accounting estimates, assumptions and decisions

The preparation of condensed interim consolidated financial statements requires management to make estimations and assumptions which may affect the reported amounts of assets and liabilities as of the statement of financial position date, the disclosure of contingent assets and liabilities and the reported amounts of income and expenses during the financial period. The accounting assessments, estimates and assumptions are reviewed considering past experiences, other factors and reasonable expectations about future events under current conditions. Although the estimations and assumptions are based on the best estimates of the management's existing incidents and operations, they may differ from the actual results.

The condensed interim consolidated financial statements of the Group for the period ended 30 June 2014 have been prepared in accordance with the accounting policies consistent with the accounting policies used in the preparation of annual consolidated financial statements for the year ended 31 December 2013. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2013.

2.4 Changes in Accounting Policies

Revised and amended standards and interpretations

The accounting policies adopted in preparation of the interim consolidated financial statements as at 30 June 2014 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2014. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

The new standards, amendments and interpretations which are effective for the financial statements as of 30 June 2014:

- TAS 32 (amendment), "Financial instruments: Presentation", on offsetting financial assets and financial liabilities, is effective for annual periods beginning on or after 1 January 2014. The amendment updates the application guidance in TAS 32, 'Financial instruments: Presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. This amendment does not have an impact on the financial position or performance of the Group.

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

2.4 Changes in Accounting Policies (Continued)

- TFRS 10, TFRS 12 and TAS 27 (amendments), "Consolidated financial statements": 'exceptions for the consolidation of subsidiaries'; is effective for annual periods beginning on or after 1 January 2014. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an 'investment entity' definition and which display particular characteristics. These amendments are not applicable for the Group and do not have impact on the financial position and performance of the Group.

- TAS 36 (amendments), "Impairment of assets" on recoverable amount disclosures is effective for annual periods beginning on or after 1 January 2014. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. This amendment does not have an impact on the financial position or performance of the Group.

- TAS 39 (amendments) "Financial Instruments: Recognition and Measurement" - "Novation of derivatives is effective for annual periods beginning on or after 1 January 2014. This amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria. This amendment does not have an impact on the financial position or performance of the Group.

- TFRIC 21 - TAS 37, "Levies" is effective for annual periods beginning on or after 1 January 2014. This is an interpretation of TAS 37, 'Provisions, contingent liabilities and contingent assets'. TAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. This amendment does not have an impact on the financial position or performance of the Group.

The new standards, amendments and interpretations introduced to the prior financial statements as of 30 June 2014, however will be effective after 1 July 2014:

- TAS 19 (amendment), "Defined benefit plans", is effective for annual periods beginning on or after 1 July 2014. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. It is expected that this amendment will not have an impact on the financial position and performance of the Group.

- Annual improvements 2012; is effective for annual periods beginning on or after 1 July 2014. These amendments include changes from the 2010-12 cycle of the annual improvements project that affect 7 standards:

  - TFRS 2, "Share Based Payment"
  - TFRS 3, "Business Combination"
  - TFRS 8, "Operating Segments"
  - TFRS 13, "Fair value measurement"
  - TAS 16, "Tangible Assets and TAS 38, Intangible Assets"

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

2.4 Changes in Accounting Policies (Continued)

- TFRS 9, "Financial Instruments: TAS 37, Provisions, Contingent Assets and Liability"
- TFRS 39, "Financial Instruments-Recognition and Measurement"

- Annual improvements 2013; is effective for annual periods beginning on or after 1 July 2014. The amendments include changes from 2011-12-13 cycle of the annual improvements project that affect 4 standards:

    - TFRS 1, "First Adoption of IFRS"
    - TFRS 3, "Business Combinations"
    - TFRS 13, "Fair Value Measurement"
    - TAS 40, "Investment Properties"

- TFRS 11 (amendments), "Joint Arrangements", is effective for annual periods beginning on or after 1 July 2016. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions. It is expected that this amendment will not have an impact on the financial position and performance of the Group.

- TAS 16 and TAS 38 (amendments), "Tangible Assets", "Intangible Assets", is effective for annual periods beginning on or after 1 July 2016. In this amendment, the IASB has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. It is expected that this amendment will not have an impact on the financial position and performance of the Group.

- TFRS 14, "Regulatory deferral accounts", is effective for annual periods beginning on or after 1 July 2016. 'Regulatory deferral accounts' permits first-time adopters to continue to recognize amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt TFRS. However, to enhance comparability with entities that already apply TFRS and do not recognize such amounts, the standard requires that the effect of rate regulation must be presented separately from other items. It is expected that this amendment will not have an impact on the financial position and performance of the Group.

- TFRS 15, "Revenue from contracts with customers", is effective for annual periods beginning on or after 1 July 2017. The International Accounting Standards Board (IASB) and the US national standard-setter, the Financial Accounting Standards Board (FASB), initiated a joint project to clarify the principles for recognizing revenue and to develop a common revenue standard for IFRS and US GAAP. The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The new model employs an asset and liability approach, rather than current revenue guidance focuses on an 'earnings process'. It is expected that this amendment will not have an impact on the financial position and performance of the Group.

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

2.4 Changes in Accounting Policies (Continued)

- TFRS 9 "Financial instruments" - classification and measurement; is effective for annual periods beginning on or after 1 January 2018. This standard on classification and measurement of financial assets and financial liabilities will replace TAS 39, "financial instruments: Recognition and measurement". TFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the TAS 39 requirements. These include amortized-cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. This change will mainly affect financial institutions. It is expected that this amendment will not have an impact on the financial position and performance of the Group.

- Amendments to TFRS 9, "Financial instruments", regarding general hedge, is effective for annual periods beginning on or after 1 January 2018. These amendments to TFRS 9, "Financial instruments", bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. It is expected that this amendment will not have an impact on the financial position and performance of the Group.

2.5 Comparatives and restatement of prior periods' financial statements

The condensed interim consolidated financial statements of the Group include comparative financial information to enable the determination of the financial position and performance. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period consolidated financial statements.

2.6 Principles of consolidation

Condensed interim consolidated financial statements include the financial statements of the parent company, Boyner Perakende, and its subsidiaries; BBM, Beymen, AY Marka, AYTK, BYN, Alticom, Altınyıldız Corporation for the period ended at 30 June 2014. Subsidiaries are fully consolidated from the date on which control is transferred to the Company.

Basis of Consolidation

The consolidated financial statements include the accounts of the Group on the basis set out in sections below. The financial statements of the fully consolidated subsidiaries have been prepared with required adjustments and reclassifications for the purpose of compliance with CMB financial reporting standards and the accounting policies of the Group. Subsidiaries acquired or disposed of during the accounting period are included in the consolidation from the date at which the control of operations are transferred to the Group or excluded from the consolidation when the control is lost.

The control is provided with influence on the activities of an entity's financial and operational policies in order to obtain economic benefit from those activities.

Subsidiaries are companies over which the company has the power to control the financial and operating policies for the benefit of the Company, either (a) through the power to exercise more than 50% of the voting rights relating to shares in the companies as a result of ownership interest owned directly and indirectly by itself, or (b) although not having the power to exercise more than 50% of the ownership interest, and/or as a result of agreements by certain the company members and companies owned by them whereby the company exercises control over the ownership interest of the shares held by them; otherwise the power to exercise control over the financial and operating policies.

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

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

2.6 Principles of consolidation (continued)

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

The table below sets out the subsidiaries fully consolidated, the proportion of ownership interest and the effective interest of the Group in these subsidiaries as of 30 June 2014 and 31 December 2013:

			30 June 2014	**31 December 2013**
Subsidiary	**Country of registration**	**Nature of business**	**Effective ownership (%)**	**Effective ownership (%)**
AY Marka	Turkey	Retail Store Operations	99,99	99,99
BBM [1]	Turkey	Retail Store Operations	96,58	96,55
Beymen	Turkey	Retail Store Operations	100,00	100,00
AYTK	Turkey	Products Real Estate Development	99,99	99,99
BYN	Turkey	Sale and Marketing of Textile Real Estate Development	99,99	99,99
Alticom GmbH	Germany	Products Sale and Marketing of Textile	100,00	100,00
Altınyıldız Corporation	USA	Products Sale and Marketing of Textile	100,00	100,00
A&Y LLC	Dubai	Products Sale and Marketing of Textile	99,99	99,99
Altınyıldız Italia SRL [2]	Italy	Products Sale and Marketing of Textile	-	100,00
Vista Sağlık Hizmetleri Ticaret Danışmanlık A.Ş. [3]	Turkey	Health Services	99,99	99,99

(1) As of 30 June 2014, ownership interest of the Group in BBM has increased from 96.55% to 96.58%.

(2) In accordance with the resolution of the Board of Directors dated 5 November 2012, it is decided to abolish the sales office in Italy, namely, Altınyıldız İtalya SRL, whose principal activity is sales and marketing of textile products. The subsidiary is abolished on 9 January 2014.

(3) The liquidation process of Vista Sağlık Hizmetleri Ticaret Danışmanlık A.Ş. started in 2014.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group, and ther are deconsolidated from the date that control ceases. Accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the Group.

The result of operations of subsidiaries acquired or sold during the year are included in the consolidated statement of comprehensive income from the date of acquisition or until the date of sale.

The balance sheets and statements of income of the subsidiaries are consolidated on line-by-line basis and the carrying value of the investment held by the Company and its subsidiaries is netted off against the related shareholders' equity. Intercompany transactions and balances between the Company and its Subsidiaries are netted off during the consolidation. The cost of, and the dividends arising from, shares held by the Group in its subsidiaries are netted off from shareholders' equity and income for the period, respectively.

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

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

2.6 Principles of consolidation (continued)

The share of non-controlling parties in the net assets and the results of subsidiaries for the period are separately classified as non-controlling interest in the consolidated balance sheets and statements of income. The non-controlling interests consist of shares from initial business combinations and the non-controlling shares from the changes in equity after the acquisition date. When the loss applicable to the non-controlling shareholders exceeds the non-controlling interest in the equity of the subsidiary, the excess loss and the further losses applicable to the non-controlling shareholders are charged against the non-controlling interest.

Equity method

Associates and joint ventures of Beymen, which is the subsidiary of the Group, are accounted for using the equity method. These are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Under the equity method, these investments are initially recognized at cost, and the carrying amount is increased or decreased to recognize the Group's share of the profit or loss or the investees after the date of acquisition. The consolidated statements of income reflect the Group's share of the net results of operations of the associates and joint ventures.

Investments are accounted for using the equity method considering the Group's total share portions which are owned directly or indirectly from its subsidiaries. Non-controlling interests are calculated by taking into consideration of the effective rate on investments over the subsidiaries.

The investments in associates are carried on the balance sheet at cost plus post-acquisition changes in the Company's share of net assets of the associates. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortized, if any. The income statement reflects the Company's share of the results of operations of the associates. When there is a change recognized directly in the equity of an associate, the Company recognizes its share of any changes and discloses this when applicable, in the statement of changes in equity. Profits and losses resulting from the transactions between the Company and the associate are eliminated to the extent of the interest in the associate. The reporting dates of the associates and the Company are identical and the associates' accounting policies conform to those of the Company for like transactions and events in similar circumstances.

The associates and joint ventures accounted for using the equity method and the rates of effective ownership as of 30 June 2014 and 31 December 2013 are as follows:

			30 June 2014	**31December 2013**
Subsidiary	**Country**	**Nature of business**	**Effective ownership (%)**	**Effective ownership(%)**
İzkar Giyim Ticaret ve Sanayi A.Ş. ("İzkar")	Turkey	Commerce	49,60	49,60
Christian Dior İstanbul Mağazacılık A.Ş. ("Christian Dior")	Turkey	Commerce	49,00	49,00
Nile Bosphorus Retail and Trading Company ("Nile Bosphorus")	Egypt	Commerce	33,33	33,33
Elif Co. For General Trading Ltd. ("Elif Co")	Iraq	Commerce	50,00	50,00
Christian Louboutin Mağazacılık A.Ş. ("Christian Louboutin")	Turkey	Commerce	29,99	29,99

NOTE 3 - BUSINESS COMBINATIONS

The Group applies acquisition method to account for business combinations. Subsidiaries acquired are fully consolidated from the acquisition date on which control is transferred to the Group, and subsidiaries sold during the period are deconsolidated from the date of that control ceases.

a) Acquisition of BBM and Beymen

Interests of Boyner Perakende in its associates accounted for equity method were 49,99% and 29,99% for Beymen and BBM, respectively, and Fennella S.a.r.l. (“Fennella”); which is an establishment of Citi Venture Capital International (“CVCI”) is the other shareholder in Beymen and BBM. On 31 May 2013, Boyner Perakende purchased Fennella’s shares in the ratio of 50.01% at Beymen and 30, 05% at BBM’s shares and signed a share purchase agreement with Fennella on the same date.

As a result of the transaction, the change in the control has been regarded as a business combination achieved in stages in accordance with Business Combinations “TFRS 3”. Within this framework, Beymen and BBM which had been accounted for using the equity method until 31 May 2013, have been included in the scope of consolidation from 1 June 2013 forth and interests in the ratio of 3,45% arising from publicly traded shares have been accounted for as non-controlling interest. Accordingly, in a business combination achieved in stages, the acquirer’s previously held interest is re-measured to fair value at the acquisition date and a gain or loss is recognized in the income statement.

According to the articles of share purchase agreement dated 31 May 2013, Boyner Perakende will pay minimum USD 287.000.000 in return of the Fennella’s shares in Beymen in the ratio of 50,01%. USD 11.000.000 out of this amount was paid in cash at 31 May 2013 which is the share transfer date and remaining balance will be paid in two instalments amounting to USD 30.500.000 and USD 245.500.000 on 2 June 2014 and 5 June 2015, respectively. In addition to these payments, in the event of 50% of the value that will be calculated by using the 2014 financial statements of Beymen exceeds the minimum value which had been determined as USD 266.680.000, an additional payment to Fennella may be made with an upper limit of USD 89.820.000. For the purchase of the shares of Fennella in Beymen in the ratio of 50,00% by Boyner Perakende, payables amounting to USD 276.000.000 with due dates of 2 June 2014 and 5 June 2015, have been discounted to its value at 31 May 2013 by 6% which is the general borrowing cost rate of Boyner Perakende in terms of USD. As a result of the calculation, difference amounting to USD 28.915.808 (TRY 53.959.789) has been taken into consideration during the determination of goodwill within the application of purchase price allocation in accordance with TFRS 3, instead of accounting for under income statement.

According to the articles of share purchase agreement dated 31 May 2013, Boyner Perakande will pay USD 96.700.000 in return of the Fennella’s shares in BBM in the ratio of 30,05% on 5 June 2015. Mentioned amount have been discounted to its value at 31 May 2013 by 6%, difference amounting to USD 10.706.012 (TRY 19.978.489) has been taken into consideration during the determination of goodwill within the application of purchase price allocation in accordance with TFRS 3, instead of accounting for under income statement.

NOTE 3 - BUSINESS COMBINATIONS (Continued)

As a result of the acquisition of Fennella's shares in BBM in the ratio of 30,05% on 31 May 2013, Boyner Perakende's share in BBM increase to 60,04% and on 6 September 2013 pursuant to CMB's Communiqué Serial IV No. 8 on "Communique on Principles Regarding Proxy Voting at Shareholders' Meetings of Publicly Held Joint Stock Corporations, Proxy Solicitation and Tender Offer" terminal call price has been determined by CMB as TRY 7,0835 and the call commenced on 9 September 2013 for a duration of 10 business days. By way of mentioned call, shares in the ratio of 34,77% have been purchased in return of TRY 226.752.899. Additionally, Boyner Perakende purchased BBM shares at the ratio of 1,74% from other shareholders of BBM in return of TRY 9.784.608. Mentioned acquisitions have been taken into consideration during the determination of goodwill within the application of purchase price allocation in accordance with TFRS 3.

Main assumptions used for the determination of fair values of Boyner Perakende have previously held interest in Beymen and BBM have been specified below. Mentioned studies have been prepared by a valuation company which is authorized by CMB.

BBM whose shares are traded in Borsa İstanbul ("BİST") with a ratio of 39,96%, "BİST value" (company's value based on its own share prices), "discounted cash flows" and "net asset value" methods have been used and BBM's market price has been determined by using the weighted average of these three methods. Pursuant to CMB's bulletin dated 23 August 2013, in accordance with CMB's Communiqué Serial IV No. 8 on "Communique on Principles Regarding Proxy Voting at Shareholders' Meetings of Publicly Held Joint Stock Corporations, Proxy Solicitation and Tender Offer", in the fair value studies it has been found to be more appropriate to use call price calculated previously for the determination of BİST value (31 May value: USD 3,4329) and according to this calculation BBM's BİST value has been determined to be as 649.742 thousand of TRY and BBM's value according to the weighted average of the three methods mentioned above determined as 615.736 thousands of TRY.

For the fair value of Beymen as at 31 May 2013, "discounted cash flows", "comparable company method" and "net asset value" methods have been used and Beymen's market price has been determined as 1.012.978 thousands of TRY by using the weighted average of these three methods.

In this context, in the "discounted cash flows" methods used for the determination of fair values of Beymen and BBM, companies free cash flow projections which are based on budgets covering a five year period have been taken into consideration. Projected free cash flows after the five year period have been calculated by using the estimated growth rates. Projected free cash flows have been discounted to their present values. Information such as growth rates of the sector in which companies operate in, gross domestic product per capita and price indices have been externally generated. Estimations related to variables such as trade goods prices, working capital requirement and capital expenditures have been based on the Group's forecasts and prior period realizations.

NOTE 3 - BUSINESS COMBINATIONS (Continued)

Consequently, fair values increases of Beymen and BBM amounting to TRY 470.018.541 and TRY 155.593.774, respectively, determined as a result of the valuation of Boyner Perakende's share in Beymen and BBM with the ratios of 49,99% and 29,99%, respectively at 31 May 2013, have been accounted for under income from investment activities (Note 22).

All acquisition transactions mentioned above are considered collectively in the determination of goodwill. Fair value exercise of the assets and liabilities acquired as a result of the acquisition of BBM and Beymen is performed by the independent experts and finalized as of 31 May 2014. The identified intangible assets which are recognized during the aforementioned exercise are mainly comprised of brands, customer loyalty programs, rent and franchise contracts. The identifiable intangible assets acquired have been recognized at fair value at the acquisition date.

In the course of acquisition, in the context of TFRS 3, purchase price allocation is required to be exercised for all of the subsidiaries and associates in the consolidated financial statements of acquire. BBM, acquired 63% shares of Yeni Karamürsel Giyim ve İhtiyaç Maddeleri Ticaret ve Sanayi A.Ş. ("YKM") that operates in retail sector and 20,62% of Yeni Karamürsel Giyim ve İhtiyaç Maddeleri Pazarlama A.Ş. ("YKM Pazarlama") that is a subsidiary of YKM. Due to the fact that fair value studies related with this acquisition has been made provisionally at the date when shares of BBM were acquired, at the initial accounting for business combination applied for the acquisition of BBM's shares it has been assumed that any significant change at the fair values of intangible assets have not been anticipated. Negotiations with the selling shareholders of YKM and YKM Pazarlama on the acquired entities net assets at the date of acquisition and value of working capital have been finalized at the date of issue of consolidated financial statements as of 31 December 2013 and their effects have been reflected to the consolidated financial statements.

In accordance with the resolution of the Board of Directors dated 3 March 2014, it is decided to merge BBM, YKM A.Ş. and YKM Pazarlama A.Ş. and BBM addressed to CMB on 14 April 2014 for the approval of CMB. The application of BBM was approved by CMB on 13 June 2014 and the merger transaction is registered to the trade registry on 30 June 2014.

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

NOTE 3 - BUSINESS COMBINATIONS (Continued)

Fair value of assets and liabilities acquired at the transaction date is as follows:

Fair Value	**BBM**	**Beymen**	**Total**
Cash and cash equivalents	141.284.478	32.338.563	173.623.041
Trade receivables	49.719.156	53.069.375	102.788.531
Other receivables	5.500.135	56.642.854	62.142.989
Inventories	311.094.583	109.348.098	420.442.681
Prepaid expenses	12.581.148	8.820.764	21.401.912
Other current assets	29.575.480	8.189.421	37.764.901
Investments accounted for using the equity method	-	9.024.231	9.024.231
Tangible assets	136.900.061	56.896.444	193.796.505
Intangible assets (*)	524.920.005	600.922.313	1.125.842.318
Deferred income tax assets	6.837.631	7.348.438	14.186.069
Other non-current assets	1.030.286	65.402	1.095.688
Financial investments	-	3.812	3.812
Financial liabilities	(300.534.200)	(102.608.735)	(403.142.935)
Trade payables	(419.386.344)	(98.755.340)	(518.141.684)
Employee benefit payables	-	(6.825)	(6.825)
Other payables	(4.206)	(6.757.795)	(6.762.001)
Deferred revenue	(15.670.228)	(25.117.254)	(40.787.482)
Income tax payable	(3.499.600)	(2.119.925)	(5.619.525)
Short term provisions	-	(5.435.481)	(5.435.481)
Other short term liabilities	-	(10.402.531)	(10.402.531)
Long term financial liabilities	-	(11.177.575)	(11.177.575)
Long term deferred revenue	-	(11.96.805)	(11.936.805)
Other long term liabilities	(5.868.983)	-	(5.868.983)
Provision for employee benefits	(16.317.967)	(2.210.719)	(18.528.686)
Other long term payables	-	(67.429)	(67.429)
Deferred tax liability	(83.454.006)	(118.610.505)	(202.064.511)
Non-controlling interests	(17.830.416)	-	(17.830.416)
Net total assets	**356.877.013**	**547.462.796**	**904.339.809**
Acquired assets (A)	344.564.759	547.462.796	892.027.555
Net assets of non-controlling interests	12.312.257	-	12.312.257
Fair value of previously held interests (B)	(184.659.258)	(506.387.734)	(691.046.992)
Cash paid portion of total cost (C)	-	(20.527.100)	(20.527.100)
Liability due to acquisition (D)	(397.010.887)	(461.083.811)	(858.094.698)
Payables related to Fennella S.a.r.l	*(160.473.380)*	*(461.083.811)*	*(621.557.191)*
Purchased shares from the stock market	*(9.784.608)*	-	*(9.784.608)*
Shares acquired by way of tender call	*(226.752.899)*	-	*(226.752.899)*
Contingent consideration (E)	-	(12.446.229)	(12.446.229)
Cash and cash equivalents acquired (F)	141.284.478	32.338.563	173.623.041
Total consideration (C+D+E+F)	**(255.726.409)**	**(461.718.577)**	**(717.444.986)**
Goodwill acquired through business combination (G) (*)	106.041.968	-	106.041.968
Goodwill (-A-B-C-D-E+G)	**343.147.354**	**452.982.078**	**796.129.432**

(*) As of 30 September 2013, goodwill has been revised as TRY 106.041.968 as a result of the revised fair values of the identified assets of YKM and YKM Pazarlama and payment made to the seller according to the agreement. As a result of this transaction, effects of YKM and YKM Pazarlama have been taken into consideration in the goodwill calculation above.

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

NOTE 3 - BUSINESS COMBINATIONS (Continued)

TAS requires fair values to be finalized within 12 months of the acquisition date. All fair value adjustments are required to be recorded effective from the date of acquisition and consequently result to the restatement of previously reported financial results.

The fair value exercise of Boyner, Beymen Club and Beymen Business brands which was not completed yet as of 31 December 2013, have been finalized as of 31 May 2014 and the fair value of the disclosed brands have been recognized retrospectively in the condensed interim consolidated financial statements. The impact of these adjustments is as follows:

	2014
Goodwill - previously reported	**942.584.717**
Impact of fair value exercise of brands	(189.610.673)
Tax effect	37.922.135
Non-controlling interests	5.233.253
Goodwill - final	**796.129.432**

The fair value exercise of franchise agreements, favorable contracts, customer relationships, Beymen brand and other tangible and intangible assets whose fair value exercise was not-completed as of 30 June 2013, has been finalized as of 31 December 2013 and accounted for retrospectively in the consolidated financial statements as of 31 December 2013 effective from the acquisition date. The impact of the adjustments to the interim condensed consolidated profit and loss, other comprehensive income and non-controlling interests arising on business combinations as of 30 June 2013 is as follows:

	1 January - 30 June 2013
Total comprehensive income – previously reported	542.781.851
Impact of amortization and depreciation expenses of the assets whose fair value exercise completed	(3.309.993)
Deferred income tax effect	661.999
Total comprehensive income - final	**540.133.857**

	30 June 2013
Non-controlling interests arising on business combinations – previously reported	80.517.460
Non-controlling interests recognized related to the assets whose fair value exercise completed	77.312.870
Non-controlling interests arising on business combinations – final	**157.830.330**

NOTE 3 - BUSINESS COMBINATIONS (Continued)

50% of Beymen's market value which will be computed by multiplying the Earnings Before Interest Tax Depreciation and Amortization ("EBITDA") figures by 10,5 which is derived from the financial statements of Beymen as of 31 December 2014 prepared in accordance with the CMB Financial Reporting Standards after deducting net liabilities will be compared with the minimum consideration amounting to USD 266.680.000 determined by the share purchase agreement dated 31 May 2013 and the remaining differences will be additionally paid to Fennella. Upper limit for the additional payment has been determined as USD 89.820.000. Possible contingent consideration has been estimated to be TRY 13.995.750 (USD 7.500.000) and its present value has been calculated based on the discount rate of 6,00% and at the purchase price allocation as at 31 May 2013, TRY 12.446.229 was taken into consideration. As of 31 December 2013, calculation of contingent consideration has been reviewed by the management and it has been reversed and accounted for under other operating income due to the remote probability of the occurrence of payment mainly related to the significant increase in US dollars/TRY rate which will be used in the calculation.

At the purchase method applied during the acquisition of BBM's shares at the ratio of 30,05%, Boyner Perakende determined the non-controlling interest over the proportion of the acquired entities net identifiable assets. Non-controlling interests amounting to TRY 17.830.416 generated from the BBM's acquisition of YKM and YKM Pazarlama has been determined in line with the above method.

Asset and liability amounts acquired in the business combination has been stated as assets and liabilities acquired in a business combination in the related notes.

b) Merger of BBA and AYTK

BBA,owned by Boyner Holding with 99,98% shares, has been transferred to AYTK through merger with all its net assets and the mentioned merger was registered on trade gazette on 29 August 2013. As a result, 25% of the shares of AYTK were transferred to Boyner Holding. On 29 November 2013, share of Boyner Holding of 25% and other shareholders who have less than 1% shares were acquired back with an amount of TRY 20.097.783. As a result of this transaction, negative merger fund amounting to TRY 12.105.679 (Note 18) is accounted under "Effect of business combinations under common control".

	2012	**2011**
Assets	15.536.823	16.709.472
Liabilities	(3.137.903)	(2.870.288)
Net total assets	**12.398.920**	**13.839.184**
Net assets acquired (A)	12.398.920	13.839.184
AYTK share value for net assets held (non-controlling shares) (B)	(5.065.894)	(6.360.429)
Losses from BBA attributable to shares of equity holders (C)	145.729	-
Impact of business combinations under common control (A+B+C) (Note 18)	**7.478.755**	**7.478.755**

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

NOTE 3 - BUSINESS COMBINATIONS (Continued)

	2013
Value of AYTK non-controlling interest (A)	7.992.104
Payables related to the acquisition (B)	(20.097.783)
Impact of business combinations under common control (A+B) (Note 18)	**(12.105.679)**

NOTE 4 - SEGMENT REPORTING

The operational activities of the Group, are organized and managed with respect to the range of products and services provided by the Group. Information regarding the Group's operational activities as of 30 June 2014 and 2013 comprise the earnings and profits obtained from operations i.e., textile and ready-to-wear products, retail store operations and real estate development and management.

The Group Management determined figures of which calculated by making adjustments and reclassifications over the "Earnings Before Interest Tax Depreciation and Amortization" ("EBITDA") figure generated from the financial statements prepared in accordance with TAS for assessing the performance of segments. Adjustments and reclassifications comprise of deduction of non-recurring incomes, adding back the net impact of rediscount, due date differences and foreign exchange gains and losses generated from commercial operations in accordance with CMB's Communiqué calculated together with non-recurring expenses added back of which principles are determined by the Group Management. EBITDA obtained from these amounts are defined as "Adjusted EBITDA".

Segment analysis for the period ended 30 June 2014 is as follows:

1 January-30 June 2014	**Textile and ready to wear clothes**	**Retail operations**	**Real estate development and management**	**Undistributed**	**Elimination**	**Total**
Revenue	155.476.627	1.285.827.871	23.385.705	12.182.249	(76.258.213)	1.400.614.239
Gross profit/ (loss)	17.069.634	521.390.939	8.519.435	8.653.022	(5.593.863)	550.039.167
Capital expenditures (balance sheet basis)	791.908	33.065.481	-	662.372	-	34.519.761
Depreciation and amortization	4.815.515	31.747.194	-	18.751.993	-	55.314.702

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

NOTE 4 - SEGMENT REPORTING (Continued)

30 June 2014	Textile and ready to wear clothes	Retail operations	Real estate development and management	Undistributed (*)	Elimination	Total
Assets and liabilities						
Segment assets	333.288.509	2.008.530.951	241.161.485	1.335.919.354	(43.627.773)	3.875.272.526
Total assets	**333.288.509**	**2.008.530.951**	**241.161.485**	**1.335.919.354**	**(43.627.773)**	**3.875.272.526**
Segment liabilities	393.227.149	1.865.909.680	147.992.701	1.589.952.561	(359.165.019)	3.637.917.072
Total liabilities	**393.227.149**	**1.865.909.680**	**147.992.701**	**1.589.952.561**	**(359.165.019)**	**3.637.917.072**

(*) Undistributed assets and liabilities mainly consist of the assets and liabilities of Boyner Perakende which is an asset management company as of 31 December 2013.

Segment analysis for the period ended 30 June 2013 is as follows:

1 January-30 June 2013	Textile and ready to wear clothes	Retail operations	Real estate development and management	Undistributed	Elimination	Total
Revenue	112.171.107	327.503.919	3.802.821	-	(33.158.219)	410.319.628
Gross profit/ (loss)	8.278.785	139.437.196	3.310.457	-	(100.625)	150.925.813
Capital expenditures (balance sheet basis)	949.893	7.415.115	-	-	-	8.365.008
Depreciation and amortization	4.472.318	10.713.509	-	-	-	15.185.827

31 December 2013	Textile and ready to wear clothes (**)	Retail operations	Real estate development and management	Undistributed	Elimination	Total
Assets and liabilities						
Segment assets	1.525.814.038	1.944.575.677	381.640.931	-	51.003.942	3.903.034.588
Total assets	**1.525.814.038**	**1.944.575.677**	**381.640.931**	**-**	**51.003.942**	**3.903.034.588**
Segment liabilities	1.715.456.498	1.790.338.036	330.822.390		(295.082.129)	3.541.534.795
Total liabilities	**1.715.456.498**	**1.790.338.036**	**330.822.390**	**-**	**(295.082.129)**	**3.541.534.795**

(**) As of 31 December 2013 textile & ready to wear includes the liability arising on the acquisition of subsidiaries.

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

NOTE 4 - SEGMENT REPORTING (Continued)

The reconciliation of EBITDA for the interim periods ended as of 30 June 2014 and 2013 is as follows:

	1 January 2014 – 30 June 2014	**1 January 2013 – 30 June 2013**
	CMB Financial statements	**Management report (*)**
EBITDA	65.343.129	679.185.049
<u>Adjustments:</u>		
Reclassification in accordance with the format recommended by CMB	257.350	5.721.776
Foreign currency gains	*(42.230.057)*	*(13.104.099)*
Rediscount income	*(30.983.473)*	*(16.390.782)*
Term difference income	*(13.034.298)*	*(5.198.182)*
Foreign currency losses	*41.703.360*	*17.177.525*
Term difference expenses	*16.484.105*	*6.941.533*
Rediscount expense	*28.317.713*	*16.295.781*
Non-recurring (income)/expenses per Group Management (**)		
Other non-recurring operational expenses	*22.129.410*	12.639.055
Increase in value through acquisition	-	(633.721.382)
Adjusted EBITDA (**)	**87.729.889**	**63.824.498**

(*) The financial statements prepared based on the assumption that BBM and Beymen are fully consolidated starting from 1 January 2013, are monitored by the Group Management separately and used as performance measure for a better understanding of the Group performance.

(**) Adjusted EBITDA and non-recurring income/expenses are not defined by TFRS. These items determined by the principles defined by the Group management comprise income/expenses which are assumed by the Group management that are not part of the normal course of business and are non-recurring items. These items which are not defined by TFRS and are not in the scope of review or audit, are disclosed by the Group management separately for a better understanding and measurement of the sustainable performance of the Group.

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

NOTE 5 - CASH AND CASH EQUIVALENTS

The details of the cash and cash equivalents as of 30 June 2014 and 31 December 2013 are as follows:

	30 June 2014	**31 December 2013**
Cash	2.240.493	3.693.992
Banks	26.682.509	43.866.746
- Time deposits (*)	1.598.958	18.291.920
- Demand deposits (**)	25.083.551	25.574.826
Credit card receivables (***)	201.704.147	239.721.246
Cheques	2.686.869	2.274.891
	233.314.018	**289.556.875**

(*) The time deposits of the Group which consist of overnights, have interest rate of 8,8% in average as of 30 June 2014 (31 December 2013: 7%).

(**) Group has restricted cash amounting to TRY 6.485.977 as of 30 June 2014 (31 December 2013: TRY 5.119.014).

(***) As of 30 June 2014, the pledge on the credit card receivables of the Group is amounting to TRY 12.576.835 (31 December 2013: TRY 17.449.282).

As of 30 June 2014 and 2013, cash and cash equivalents included in the statements of cash flow are as follows:

	30 June 2014	**30 June 2013**
Cash and cash equivalents	233.314.018	227.069.721
Less: Change in restricted cash	(1.366.963)	(17.281.488)
	231.947.055	**209.788.233**

The total insurance coverage on cash and cash equivalents is amounting to TRY 79.507.896 as of 30 June 2014 (31 December 2013: TRY 77.707.896).

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

NOT 6 - FINANCIAL ASSETS AND INVESTMENTS IN ASSOCIATES

The details of the financial investments and investments in associates accounted for using the equity method as of 30 June 2014 and 31 December 2013 are as follows:

	30 June 2014		31 December 2013	
	Share (%)	**Amount**	**Share (%)**	**Amount**
Doğu Yatırım Holding A.Ş.	<1	104.891	<1	104.891
Alsis Sigorta Acentalığı A.Ş.	<1	12.250	<1	12.250
Beymen Ayrıcalıklı Yapı Geliştirme A.Ş.	<1	2.400	<1	2.400
BNR Teknoloji A.Ş.	<1	1.400	<1	1.400
Lom Renkli Giyim Ürünleri Pazarlama A.Ş.	<1	343	<1	343
Total		**121.284**		**121.284**

The Group has accounted for the financial investments with effective ownership rate below 1% at their cost value.

	30 June 2014		31 December 2013	
	Effective ownership rate (%)	**Amount**	**Effective ownership rate (%)**	**Amount**
Associates				
Accounted for using the equity method				
İzkar	49,60	1.033.963	49,60	1.304.448
Christian Dior	49,00	4.629.515	49,00	4.275.449
Accounted at cost				
Nile Bosphorus (*)	33,33	5.472.508	33,33	5.472.508
Joint ventures				
Accounted for using the equity method				
Christian Louboutin	30	1.529.694	30	1.089.556
Elif Co (**)	50	-	50	-
		12.665.680		**12.141.961**

(*) Since Nile Bosphorus does not prepare its financial statements for the period ended 30 June 2014 and 31 December 2013 in accordance with TFRS, the investment of the Group in Nile Bosphorus is carried at cost.

(**) As of 30 June 2014 and 31 December 2013, the Group has presented the amount of investment accounted for using the equity method as zero, due to the losses incurred by Elif Co. As at 30 June 2014, loss which is not accounted in the consolidated financial statements due to the gap between the amount of investment and the cost of the investment accounted for using the equity method, is amounting to TRY 2.594.971 (1 January - 31 December 2013: TRY 2.030.435).

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

NOT 6 - FINANCIAL ASSETS AND INVESTMENTS IN ASSOCIATES (Continued)

The movement of investments accounted for using the equity method during the period is as follows:

	30 June 2014	30 June 2013
Opening balance of investments	12.141.961	56.177.478
Amount recognized in the current period's profit	1.118.919	7.556.402
Dividends received	(595.200)	-
Assets acquired through business combinations (Note 3	-	9.024.231
Disposal from investments accounted for using the equity method due to change in the scope of the consolidation	-	(65.434.678)
Amounts recognized under equity	-	1.929.971
Impact of reclassification in equity	-	(10.573)
	12.665.680	**9.242.831**

NOT 7 - FINANCIAL LIABILITIES

The detail of the short-term financial liabilities as of 30 June 2014 and 31 December 2013 is as follows:

	30 June 2014	31 December 2013
Interest free bank borrowings (*)	15.625.635	9.719.740
Short term bank borrowings	577.348.361	378.817.996
Short term bonds issued (**)	139.643.415	139.495.689
	732.617.411	**528.033.425**

(*) Interest free bank borrowings consist of interest free loans which were borrowed for SSI payments as of 30 June 2014 and 31 December 2013.

(**) In accordance with the approval of CMB dated 16 September 2013, the commercial paper with a nominal value of TRY 140.000.000 with a maturity of 363 days, monthly interest, principal payment on the maturity date, benchmark Government Debt Securities + 4,50% floating interest rate has been offered to qualified investors (issue starting date is 26 September 2013).

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

NOT 7 - FINANCIAL LIABILITIES (Continued)

Short-term portion of long-term financial liabilities are as follows:

	30 June 2014	**31 December 2013**
Short-term portion of long-term financial liabilities	303.236.390	353.124.026
Short-term portion of long-term bonds	25.293.801	25.031.199
Financial lease liabilities	12.227.828	12.789.487
	340.758.019	**390.944.712**

The detail of long-term financial liabilities as of 30 June 2014 and 31 December 2013 is as follows:

	30 June 2014	**31 December 2013**
Long-term bank borrowings	68.263.059	137.690.272
Long term bonds issued (*)	263.719.751	234.077.872
Financial lease liabilities	2.815.845	4.793.832
	334.798.655	**376.561.976**

(*) In accordance with the approval of CMB dated 16 September 2013, the commercial paper with a nominal value of TRY 60.000.000 with a maturity of 727 days, a quarterly coupon and principal payment on the maturity date, benchmark Government Debt Securities + 5,50% floating interest rate has been offered to qualified investors (issue date is 26 September 2013).

In accordance with the approval of CMB dated 30 June 2014, the commercial paper with a nominal value of TRY 30.000.000 with a maturity of 546 days, a quarterly coupon and principal payment on the maturity date, benchmark Government Debt Securities + 5,00% floating interest rate has been offered to qualified investors.

Bond which is issued by BBM, consecutive to registering CMB, consists of TRY 100.000.000 nominal value in 6 November 2012, 36 months maturity, monthly interest, principal payment on the maturity date, benchmark Government Debt Securities + 4,50% interest rate bond.

Bond which is issued by BBM, consecutive to registering CMB, consists of TRY 100.000.000 nominal value in 23 December 2013, 36 months maturity, monthly interest, principal payment on the maturity date, benchmark Government Debt Securities + 5,00% interest rate bond.

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

NOT 7 - FINANCIAL LIABILITIES (Continued)

The details of short-term and long-term bank borrowings are as follows:

30 June 2014

Currency	Maturity	Interest Rate (%)	Short term	Long term
TRY interest free borrowings	2014	-	15.625.635	-
TRY borrowings	2014-2016	10,24-18	796.763.722	68.263.059
USD borrowings	2014-2015	4,62-7,25	71.114.069	-
EUR borrowings	2014-2015	5,40-6,50	12.706.960	-
			896.210.386	**68.263.059**

31 December 2013

Currency	Maturity	Interest Rate (%)	Short term	Long term
TRY interest free borrowings	2014	-	9.719.740	-
TRY borrowings	2014-2016	7,25-16,66	631.626.376	113.289.254
USD borrowings	2014-2015	6,76-7,03	62.992.085	5.122.320
EUR borrowings	2014-2017	5-7	37.323.561	19.278.698
			741.661.762	**137.690.272**

The redemption schedule of the financial liabilities and bonds as of 30 June 2014 and 31 December 2013 is as follows:

	30 June 2014	31 December 2013
to be paid in 1 year	1.061.147.602	906.188.650
2015	231.988.862	253.781.524
2016	99.986.808	117.293.397
2017 and after	7.140	693.223
	1.393.130.412	**1.277.956.794**

As of 30 June 2014, with regard to the bank borrowings detailed above, the shopping mall amounting to TRY 120.255.267 (Note 12) which is reclassified as investment property and factory plant amounting to TRY 63.309.542 (Note 11) which is reclassified as inventory are encumbered with mortgage amounting to EUR 40.000.000 and TRY 200.000.000 and additionally guarantee letter amounting to TRY 200.000.000 is given with related to these mentioned assets (31 December 2013: mortgages amounting to EUR 20.000.000 and TRY 200.000.000 and guarantee letter amounting to TRY 200.000.000).

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

NOT 7 - FINANCIAL LIABILITIES (Continued)

The redemption schedule of the financial lease liabilities as of 30 June 2014 and 31 December 2013 is as follows:

	30 June 2014	31 December 2013
Total financial lease payments	15.987.037	18.815.092
Interest will be paid in upcoming years (-)	(943.364)	(1.231.773)
	15.043.673	**17.583.319**
Financial lease liabilities up to 1 year	12.227.828	12.789.487
Financial lease liabilities after 1 year	2.815.845	4.793.832
	15.043.673	**17.583.319**

As of 30 June 2014 and 31 December 2013, the details of short-term financial lease liabilities in terms of currency, is as follows:

	30 June 2014	31 December 2013
TRY	9.823.471	321.529
USD	2.354.984	3.632.360
EUR	49.373	8.835.598
	12.227.828	**12.789.487**

The summary of long term finance lease liabilities in terms of foreign currency is as below:

	30 June 2014	31 December 2013
TRY	2.537.308	6.590
USD	224.331	1.363.558
EUR	54.206	3.423.684
	2.815.845	**4.793.832**

Letter of guarantees amounting to USD 617.918 , EUR 8.433 and TRY 1.476.385 are given regarding the financial leasing liabilities disclosed above (31 December 2013: USD 617.918, EUR 8.433 and TRY 2.261.142).

NOTE 8 - OTHER FINANCIAL LIABILITIES

Other financial liabilities of the Group are amounting to TRY 138.421.672 as of 30 June 2014 (31 December 2013: TRY 58.629.605). Other financial liabilities of the Group comprise of its receivables which are transferred to factoring companies. Group transfers its trade receivables to local factoring companies with recourse. Since risks related with negotiated receivables have not been transferred to factoring companies and factoring companies have right to recourse if the receivables cannot be collected, receivables subject to factoring transaction were not derecognized and amount provided from factoring companies presented as other financial liabilities in the accompanying condensed interim consolidated financial statement.

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

NOTE 9 - TRADE RECEIVABLES AND PAYABLES

Short term trade receivables

	30 June 2014	31 December 2013
Trade receivables	142.670.538	219.905.702
Notes receivables (*)	222.584.555	153.398.763
Less: Provision for impairment of receivables	(25.754.643)	(26.703.737)
Less: Unearned financial income on term sales	(4.937.248)	(6.829.277)
Total trade receivables from third parties	**334.563.202**	**339.771.451**
Trade receivables from related parties	43.527.599	40.269.991
Less: Unearned financial income on term sales to related parties	(2.226.804)	(1.559.197)
Trade receivables from related parties (Note 27)	**41.300.795**	**38.710.794**
Total short-term trade receivables	**375.863.997**	**378.482.245**

(*) TRY 138.421.672 of the notes receivables was transferred to factoring institutions (31 December 2013 : TRY 58.629.605). The factoring debts related to this transaction have been classified under other financial liabilities (Note 8).

Long term trade receivables

	30 June 2014	31 December 2013
Trade receivables from related parties (Note 27)	2.977.839	2.993.125
Trade receivables from third parties	14.233.118	14.545.000
Less: Unearned financial income on term sales to third parties	(4.116.871)	(4.185.076)
Total long term trade receivables	**13.094.086**	**13.353.049**

The collection period of trade receivables vary with the type of product and the agreements entered into with the customer. The average collection period is 145 days (31 December 2013: 155 days) for domestic sales of ready to wear products, 40 days (31 December 2013: 30 days) for export sales of ready to wear products, 200 days (31 December 2013:185 days) for domestic sales of textile products and 42 days (31 December 2013: 60 days), for exports of textile products. The average collection period of trade receivables from retail sales is 89 days (31 December 2013: 84 days).

The movement of provision for the impairment of receivables as of 30 June 2014 and 2013 is as follows:

	30 June 2014	30 June 2013
Opening balance - 1 January	**26.703.737**	**6.350.495**
Provisions	510.319	599.953
Receivables acquired through business combination	-	21.796.622
Collection of receivables during the current period (-)	(1.448.654)	(862.436)
Write-offs in the current period (*)	(10.759)	(642.113)
Closing balance – 30 June	**25.754.643**	**27.242.521**

(*) The balance consists of doubtful receivables written off during the year as they were uncollectible.

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

NOTE 9 - TRADE RECEIVABLES AND PAYABLES (Continued)

Trade payables

	30 June 2014	31 December 2013
Trade payables	444.434.099	470.265.709
Notes payables	442.574.719	413.443.016
Less: Unearned financial expense on term purchase from third parties	(15.349.953)	(15.018.371)
Total trade payables to third parties	**871.658.865**	**868.690.354**
Trade payables to related parties	12.580.755	50.963.420
Less: Unearned financial expense on term purchase from related parties	(296.212)	(616.397)
Total trade payables to related parties (Not 27)	**12.284.543**	**50.347.023**
Total trade payables	**883.943.408**	**919.037.377**

The average payment period of trade payables is 160 days for domestic purchases (31 December 2013: 148 days), and 185 days for imports in textile (31 December 2013: 190 days); and ready to wear cloth it is 165 days for domestic purchases (31 December 2013: 155 days) and 60 days for imports (31 December 2013: 100 days) ready to wear cloth. The average payment period of trade payables for retail purchases is 136 days (31 December 2013: 133 days).

NOTE 10 - OTHER RECEIVABLES AND PAYABLES

The detail of other receivables as of 30 June 2014 and 31 December 2013 is as follows:

	30 June 2014	31 December 2013
Other receivables from customers	2.001.427	6.428.308
Receivables from personnel	500.509	143.457
Deposits and guarantees given	244.096	177.858
Receivables from insurance companies	231.659	386.069
Other	160.998	7.071
Total other receivables	**3.138.689**	**7.142.763**
Other receivables from related parties (Note 27)	**42.134.533**	**37.428.301**
Total other receivables	**45.273.222**	**44.571.064**

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

NOTE 10 - OTHER RECEIVABLES AND PAYABLES (Continued)

The detail of long-term other receivables as of 30 June 2014 and 31 December 2013 is as follows:

	30 June 2014	31 December 2013
Deposits and guarantees given to third parties	1.479.651	1.479.303
Total other long term receivables	**1.479.651**	**1.479.303**

The detail of short-term other payables as of 30 June 2014 and 31 December 2013 is as follows:

	30 June 2014	31 December 2013
Short-term portion of payables arising from business combinations (*)	688.238.925	63.525.434
Other	21.389.387	24.870.557
Total other payables	**709.628.312**	**88.395.991**
Other payables to related parties (Note 27)	**31.736.625**	**41.349.748**
Total other payables	**741.364.937**	**129.745.739**

(*) The maturity of short term payables related to the business combinations is 5 June 2015. The approximate borrowing rate in terms of USD, 6% is used for the calculation of the present value.

The detail of long-term other payables as of 30 June 2014 and 31 December 2013 is as follows:

	30 June 2014	31 December 2013
Long term portion of payables arising from business combinations	-	672.069.129
Deposits and guarantees received	203.239	202.454
Other (*)	52.983.250	60.018.270
Total long term other payables	**53.186.489**	**732.289.853**

(*) Other short term and long term payables amounting to TRY 11.111.861 and TRY 52.401.112 respectively, represent notes payables regarding the acquisition of shares of YKM A.Ş. and YKM Pazarlama A.Ş. on 22 October 2013.

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

NOTE 11 - INVENTORIES

The detail of inventories as of 30 June 2014 and 31 December 2013 is as follows:

	30 June 2014	**31 December 2013**
Trade goods	626.061.894	598.249.189
Finished goods	78.851.926	53.379.721
Real estates (*)	63.309.542	89.852.283
Raw materials and supplies	38.719.118	41.527.200
Semi-finished goods	38.719.118	19.037.398
Goods in transit	20.214.921	21.406.651
Auxiliary materials	9.954.820	7.056.358
	861.684.547	**830.508.800**
Less: Provision for impairment on inventories	(18.945.254)	(16.227.837)
	842.739.293	**814.280.963**

(*) Land of the Group which is classified as investment property and carried at fair value, was transferred to inventories on 30 September 2011 subsequent to construction permit obtained in accordance with the revenue sharing agreement signed between AYTK and Fer Gayrimenkul Geliştirme ve İnşaat A.Ş. on 29 September 2010. As of 30 June 2014, the deliveries from the completed parts of the project have begun and the income generated is accounted in the accompanying condensed interim consolidated financial statements.

The total insurance coverage on inventories is amounting to TRY 1.187.009.854 as at 30 June 2014 (31 December 2013: TRY 965.713.086).

The movement of the impairment on inventories during the periods ended 30 June 2014 and 2013 is as follows:

	30 June 2014	**30 June 2013**
Opening balance - 1 January	**(16.227.837)**	**(1.341.538)**
Provisions in current period	(2.717.417)	(3.308.153)
Inventories acquired through business combination	-	(12.207.168)
Closing balance – 30 June	**(18.945.254)**	**(16.856.859)**

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

NOTE 12 - INVESTMENT PROPERTIES

Cost	1 January 2014	Additions	Disposals	30 June 2014
Starcity AVM	120.240.000	15.267	-	120.255.267
Land in Antalya	935.000	-	-	935.000
Store at Unkapanı	175.000	-	-	175.000
	121.350.000	**15.267**	**-**	**121.365.267**

Cost	1 January 2013	Additions	Disposals	30 June 2013
Starcity AVM	110.692.000	53.425	-	110.745.425
Land in Antalya	935.000	-	-	935.000
Store at Unkapanı	175.000	-	-	175.000
	111.802.000	**53.425**	**-**	**111.855.425**

The comparison of the cost of investment properties and their fair values as of 30 June 2014 is as follows:

Name	Date of expertise report	Fair value (TRY)	Cost value (TRY)
Starcity AVM	30 December 2013	120.240.000	41.249.779
Land in Antalya	5 August 2013	935.000	66.492
Store at Unkapanı	6 August 2013	175.000	43.961

As of 30 June 2014, rent income from investment properties is amounting to TRY 5.425.747 (30 June 2013: TRY 4.048.417).

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

NOTE 12 - INVESTMENT PROPERTIES (Continued)

Fair value of land and buildings

As of 30 June 2014 and 31 December 2013, the fair value of land and buildings of the Group was determined by an independent expert. Increase in the revaluation amount has been recognized as other operating income in the statement of comprehensive income. The table below analyses non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

- (Level 1) Quoted prices (unadjusted) in active markets for identical assets or liabilities,
- (Level 2) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices),
- (Level 3) Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	30 June 2014		
	Quoted in active markets for identical assets prices (Level 1)	**Other significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Recurring fair value measurements			
Land and buildings	-	-	-
Starcity Mall	-	120.240.000	-
Land in Antalya	-	935.000	-
Store at Unkapanı	-	175.000	-
	-	**121.350.000**	**-**

	31 December 2013		
	Quoted in active markets for identical assets prices (Level 1)	**Other significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Recurring fair value measurements			
Land and buildings	-	-	-
Starcity Mall	-	120.240.000	-
Land in Antalya	-	935.000	-
Store at Unkapanı	-	175.000	-
	-	**121.350.000**	**-**

Valuation techniques used to derive level 2 fair values

Level 2 fair values have been derived using the sales comparison approach and income capitalization method. The main input used in the sales comparison method is price per square meter. The main input used in the income capitalization method is rent cost, occupancy, annual rent increase and discount rate.

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

NOTE 13 - PROPERTY PLANT AND EQUIPMENT

The movements in property, plant and equipment and accumulated depreciations for the period ended 30 June 2014 and 2013 are as follows:

Cost	**1 January 2014**	**Additions**	**Disposals (-)**	**Transfers**	**30 June 2014**
Lands	62.934	-	-	-	62.934
Plant, machinery and equipment	125.644.550	535.459	(135.621)	-	126.044.388
Furniture and fixtures	117.440.430	14.638.369	(288.930)	1.968.545	133.758.414
Motor vehicles	866.281	238.490	-	-	1.104.771
Leasehold improvements	199.053.381	10.808.592	(106.359)	5.111.278	214.866.892
Construction in progress	5.323.257	4.016.081	-	(8.972.497)	366.841
	448.390.833	**30.236.991**	**(530.910)**	**(1.892.674)**	**476.204.240**
Accumulated depreciation (-)					
Plant, machinery and equipment	108.604.442	3.103.920	(109.817)	-	111.598.545
Furniture and fixtures	20.001.914	10.939.434	(143.010)	-	30.798.338
Motor vehicles	476.246	83.957	-	-	560.203
Leasehold improvements	50.052.120	13.912.130	(23.815)	-	63.940.435
	179.134.722	**28.039.441**	**(276.642)**	**-**	**206.897.521**
Net book value	**269.256.111**				**269.306.719**

Cost	**1 January 2013**	**Additions**	**Disposals (-)**	**Transfers**	**Impairment (*)**	**Assets acquired through business combinations**	**30 June 2013**
Lands	-	-	-	-	-	62.934	62.934
Plant, machinery and equipment	123.319.079	381.349	(1.280.223)			589.800	123.010.005
Furniture and fixture	11.622.611	1.345.097	(735.566)			70.864.442	83.096.584
Motor vehicles	405.797		(21.000)			481.484	866.281
Leasehold improvements	62.745.360	1.727.406		232.466	(5.741.858)	108.613.156	167.576.530
Construction in progress	2.390.809	4.821.878	(14.209)	(232.466)	-	13.184.689	20.150.701
	200.483.656	**8.275.730**	**(2.050.998)**	**-**	**(5.741.858)**	**193.796.505**	**394.763.035**
Accumulated depreciation (-)							
Plant, machinery and equipment	103.161.165	3.228.731	(991.137)	-	-	-	105.398.759
Furniture and fixture	8.752.206	1.651.386	(29.576)	-	-	-	10.374.016
Motor vehicles	405.797	10.491	-	-	-	-	416.288
Leasehold improvements	35.537.740	6.858.274	-	-	(1.907.496)	-	40.488.518
	147.856.908	**11.748.882**	**(1.020.713)**		**(1.907.496)**		**156.677.581**
Net book value	**52.626.748**				**(3.834.362)**		**238.085.454**

(*) Impairment on property and equipment amounting to TRY 3.834.362 is related to special costs of closed stores written off during the period 1 January – 30 June 2013.

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise stated.)

NOTE 13 - PROPERTY PLANT AND EQUIPMENT (Continued)

As of 30 June 2014, depreciation expenses amounting to TRY 19.801.870 (30 June 2013: TRY 5.826.483) has been charged in marketing expenses and TRY 3.717.244 (30 June 2013: TRY 3.987.911) has been charged in cost of sales and TRY 4.512.224 (30 June 2013: TRY 1.926.009) in general and administrative expenses and TRY 8.103 (30 June 2013: TRY 8.479) in research and development expenses (Note 22).

As of 30 June 2014 total amount of insurance on tangible fixed assets TRY 803.680.333 (31 December 2013: TRY 773.164.481).

NOTE 14 – INTANGIBLE ASSETS

The movements in intangible assets and accumulated amortization for the period ended 30 June 2014 and 2013 are as follows:

Cost	**1 January 2014**	**Addition**	**Disposals (-)**	**Transfers**	**Assets acquired through business combinations**	**30 June 2014**
Rights	8.802.775	1.564.652	-	1.892.674	-	12.260.101
Brands (*)	468.937.644	95.344	-	-	-	469.032.988
Favorable rent contracts	303.382.404	-	-	-	-	303.382.404
Network of retail dealer	192.140.601	-	-	-	-	192.140.601
Customer network	76.727.000	-	-	-	-	76.727.000
Computer licenses	6.302.572	2.622.774	(2.935)	-	-	8.922.411
	1.056.292.996	**4.282.770**	**(2.935)**	**1.892.674**		**1.062.465.505**
<u>Accumulate Amortization (-)</u>						
Rights	5.045.485	1.814.040	-	-	-	6.859.525
Favorable rent contracts	15.122.993	12.920.756	-	-	-	28.043.749
Network of retail dealer	9.303.531	9.070.966	-	-	-	18.374.497
Customer network	2.983.828	2.557.567	-	-	-	5.541.395
Computer licenses	591.636	911.932	(752)	-	-	1.502.815
	33.047.473	**27.275.261**	**(752)**			**60.321.981**
Net book value	**1.023.245.524**					**1.002.143.524**

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

NOTE 14 - INTANGIBLE ASSETS (Continued)

Cost	1 January 2013	Addition	Disposals (-)	Transfers	Assets acquired through business combinations	30 June 2013
Rights	6.640.525	51.295	-	-	-	6.691.820
Brands (*)	18.273.867	-	-	-	442.626.430	460.900.297
Favorable rent contracts	-	-	-	-	303.382.404	303.382.404
Network of retail dealer	-	-	-	-	192.140.601	192.140.601
Customer network	-	-	-	-	76.727.000	76.727.000
Computer licenses	-	-	-	-	4.923.942	4.961.925
	24.914.392	**89.278**	**-**	**-**	**1.019.800.377**	**1.044.804.047**
Accumulate Amortization (-)						
Rights	4.743.120	153.525	-	-	-	4.896.645
Favorable rent contracts	-	1.601.178	-	-	-	1.601.178
Network of retail dealer	-	1.039.557	-	-	-	1.039.557
Customer network	-	609.013	-	-	-	609.013
Computer licenses	-	33.672	-	-	-	33.672
					-	-
	4.743.120	**3.436.945**	**-**	**-**	**-**	**8.180.065**
Net book value	**20.171.272**					**1.036.623.982**

Brands

Brands consist of Beymen brand whose fair value exercise completed as of 31 December 2013 and Boyner, Beymen Club and Beymen Business brands whose fair value exercises completed as of 31 May 2014 (Note 3). Furthermore, brands also include T-Box brand which is purchased from Boyner Holding on 1 October 2010 and Divarese brand purchased from Vincenzo Schilacci and Step SRL on 15 July 2011.

As of 30 June 2014 amortization expense of TRY 25.545.425 (30 June 2013: TRY 1.921.159) has been charged in marketing expenses and TRY 1.688.848 (30 June 2013: TRY 64.417) has been charged in general administrative expenses and TRY 48.050 (30 June 2013: TRY 11.478) in cost of sales and TRY 12.111 (30 June 2013: TRY 20 229) in research and development expenses.

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

NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short term provision for employee benefits

Short term provision for employee benefits amounting to TRY 10.013.741 as of 30 June 2014 (31 December 2013: TRY 10.894.799) consists of provision for unused vacation rights, and bonus provision.

Other short term provisions

Other short term provision as of 30 June 2014 and 31 December 2013 are as follows:

	30 June 2014	31 December 2013
Provision for sales returns and price differences	8.216.883	8.310.125
Provision for litigation	2.916.484	3.228.417
Other	463.037	-
	11.596.404	**11.538.542**

The movement of other short term provisions is as follows:

	1 January 2014	Additions	Paid in provisions	30 June 2014
Provision for sales returns and price differences	8.310.125	8.043.476	(8.136.718)	8.216.883
Provision for litigation	3.228.417	183.416	(495.349)	2.916.484
Other	-	496.809	(33.772)	463.037
Total	**11.538.542**	**8.723.701**	**(8.665.839)**	**11.596.404**

Contingent assets and liabilities

a) Guarantees given as of 30 June 2014 and 31 December 2013 are as follows:

	30 June 2014	31 December 2013
Mortgages lien (1)	407.838.000	258.730.000
Security bills (2)	341.477.952	352.590.202
Bail bonds (3)	393.832.855	281.536.360
Letters of guarantee	15.487.637	89.245.613
	1.158.636.444	**982.102.175**

(1) Mortgages lien given consist of the mortgages on investment properties amounting to EUR 40.000.000 (TRY 120.288.000) and TRY 200.000.000.

(2) Security bills given consist of the guaranteed bills amounting to TRY 200.000.000 on investment properties.

(3) The bail bonds given consist of guarantees given to the banks for the loans borrowed by Boyner Perakende, Aymarka, AYTK and BYN Gayrimenkul amounting to TRY 341.528.693.

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

NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Details of guarantees given in terms of currency as of 30 June 2014 and 31 December 2013 are as follows:

	30 June 2014		31 December 2013	
Currency	**Original amount**	**TRY Equivalent**	**Original amount**	**TRY Equivalent**
TRY	1.061.151.786	1.061.151.786	851.995.575	851.995.575
USD	19.302.537	40.987.007	27.592.524	58.890.722
EUR	19.536.517	56.497.651	24.251.659	71.215.878
		1.158.636.444		**982.102.175**

Guarantees, pledges, and mortgages

Guarantees, pledges, and mortgages "GPM" given by the Company as of 30 June 2014 and 31 December 2013 are as follows:

	30 June 2014	**31 December 2013**
The GPM's given by the Group		
A. Total amount of GPMs which the Company provided on behalf of its own legal entity	110.708.385	183.816.857
B. Total amount of GPMs which the Company provided on behalf of associates that are included to full consolidation	298.069.484	280.839.026
C. Total amount of GPMs which the Company provided on behalf of third parties to conduct business activities	1.606.702	1.633.215
D Total amount of other GPMs provided		-
i. On behalf of majority shareholder		-
ii. On behalf of other group companies which are not included in item B or C		-
iii On behalf of third parties which are not covered by item C		-
	410.384.571	**466.289.098**

As of 30 June 2014 and 31 December 2013, there are not any other guarantees, pledges, and mortgages given by the Group.

In accordance with the share purchase agreement related to the business combinations explained in Note 3, 60, 04% of BBM shares and 100% of Beymen shares owned by the Group are put in pledge on behalf of Fenella due to the liability arising from the business combinations. The pledge condition will be terminated when total liability is paid until 5 June 2015.

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

NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

b) Guarantees received for trade receivables as of 30 June 2014 and 31 December 2013 are as follows:

	30 June 2014	31 December 2013
Security bills	94.939.379	88.004.132
Letters of guarantee	47.628.923	47.145.626
Mortgage lien	35.413.000	36.083.000
Cheques of guarantee	7.919.717	7.962.193
Bail bonds	9.976.109	10.041.789
	195.877.128	**189.236.740**

The details of guarantees received for trade receivables as of 30 June 2014 and 31 December 2013 are as follows:

	30 June 2014		31 December 2013	
Currency	Original Amount	TRY Equivalent	Original Amount	TRY Equivalent
TRY	180.247.836	180.247.836	174.227.166	174.227.166
USD	5.148.033	10.931.334	5.069.629	10.820.109
EUR	1.624.522	4.697.958	1.426.686	4.189.465
		195.877.128		**189.236.740**

NOTE 16 - COMMITMENTS

The details of commitments related to operational and financial leases as of 30 June 2014 and 31 December 2013 are as follows:

Operational lease commitments (vehicles):

	30 June 2014	31 December 2013
Payable within 1 year	5.141.326	6.130.421
Payable within 1 - 5 years	1.387.438	1.119.140
	6.528.764	**7.249.561**

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

NOTE 16 - COMMITMENTS (Continued)

Operational lease commitments (Stores):

	30 June 2014	31 December 2013
Payable within 1 year	118.657.984	131.855.400
Payable within 1 - 5 years	229.077.527	183.958.565
Payable within 5 - 10 years	24.837.438	18.914.782
	372.572.949	**334.728.747**

Financial lease commitments*:*

	30 June 2014	31 December 2013
Payable within 1 year	11.934.364	12.789.487
Payable within 1 - 5 years	3.109.309	4.793.832
	15.043.673	**17.583.319**

Operational lease commitments (Office):

	30 June 2014	31 December 2013
Payable within 1 year	12.453.941	13.453.289
Payable within 1 - 5 years	5.480.768	11.585.614
	17.934.709	**25.038.903**

The commitments of the Group related to export operations as of 30 June 2014 is amounting to USD 5.219.440 (31 December 2013: USD 8.278.923).

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

NOTE 17 - OTHER ASSETS AND LIABILITIES

Other current assets

	30 June 2014	31 December 2013
Value added taxes ("VAT") carried forward	71.170.583	56.040.239
Other VAT receivables	17.407.509	18.378.015
Income accruals	1.894.059	550.525
Job advances	912.960	421.730
Advances given to employee	14.309	118.225
Other	3.103.581	662.739
	94.503.001	**76.171.473**

Other non-current assets

Other non-current assets of the Group consist of long term VAT receivables amounting to TRY 9.684.851 (31 December 2013: TRY 9.395.084).

Other short term liabilities

	30 June 2014	31 December 2013
Taxes payable	7.867.522	8.219.704
Other	352.659	664.968
	8.220.181	**8.884.672**

NOTE 18 - EQUITY

The shareholders and the shareholding structure of Boyner Perakende at 30 June 2014 and 31 December 2013 are as follows:

	30 June 2014		31 December 2013	
	Share	Amount (TRY)	Share	Amount (TRY)
Boyner Holding A.Ş.	77,66%	31.065.113	79,11%	31.645.113
Boyner Danışmanlık Servis ve Ticaret A.Ş. (*) (Note 29)	1,45%	580.000	-	-
Other shareholders and public offering (**)	20,89%	8.354.887	20,89%	8.354.887
Paid-in capital	**100,00%**	**40.000.000**	**100,00%**	**40.000.000**
Inflation adjustment difference in share capital		56.061.369		56.061.369
Total adjusted capital		**96.061.369**		**96.061.369**

(*) Boyner Holding A.Ş purchased 1.45% of the shares of the Company with a nominal value of TRY 580.000 from Boyner Danışmanlık Servis ve Ticaret A.Ş.on 4 April 2014. As a result of this transaction, the ownership interest of Boyner Holding increased from 77.66% to 79.11%.

(**) Represents shareholding less than 10%.

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

NOTE 18 - EQUITY (Continued)

As of 30 June 2014 and 31 December 2013, the registered share capital of the Company is TRY 40.000.000 and the Company's share capital consists of 4.000.000.000 issued shares with TRY 0, 01 nominal value each.

Legal Reserve

a) The first legal reserve is appropriated out of net statutory income at the rate of 5% per annum, until the total reserve reaches 20% of the Group's historical paid in share capital.

b) The second legal reserve is appropriated at the rate 10% per annum of all distributions in excess of the historical paid in share capital. The legal reserves may be used to offset losses in the event that historical general reserve is exhausted.

Retained earnings in statutory records are available for distribution in the framework of the above mentioned legal rules.

Restricted reserves consist of, legal reserves, gain on sale of subsidiary and gain on sale of investment properties, are as follows:

	30 June 2014	**31 December 2013**
Legal reserves	10.467.368	10.467.368
Legal reserves arising from tax exemption related to the gain from the sale of subsidiary (*)	1.080.833	1.080.833
Legal reserves arising from tax exemption related to the gain from the sale of investment property share(*)	21.902.906	21.902.906
	33.451.107	**33.451.107**

(*) In accordance with the Corporate Tax Law, 75% of the profit obtained from the sales of share in subsidiaries and investment properties is considered as tax exempt in such condition that the amount is kept in capital reserves under liabilities for 5 years. The profit assumed as tax exemption cannot be transferred to any account except for the capital account or retrieved from the Company.

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

NOTE 18 - EQUITY (Continued)

Revaluation funds

The details of revaluation funds as of 30 June 2014 and 31 December 2013 are as follows:

	30 June 2014	31 December 2013
Related to the land on which the factory plant was located	78.824.810	78.824.810
Related to the land classified as investment property	15.722.470	15.722.470
Total of revaluation funds	94.547.280	94.547.280
Classification of the special fund arising from sale of investment property	(15.722.470)	(15.722.470)
Deferred income tax effect	(3.943.025)	(3.943.025)
Transfer to accumulated losses	(53.881.285)	(45.076.755)
	21.000.500	**29.805.030**

The movement of revaluation funds as of 30 June 2014 and 31 December 2013 is as follows:

	30 June 2014	31 December 2013
Revaluation fund at the beginning of period	29.805.030	74.881.785
Transfer to accumulated losses (*)	(8.804.530)	-
	21.000.500	**74.881.785**

(*) As of 30 June 2014 and 31 December 2013, the deliveries for the completed parts of the project have been started as explained in Note 11. Revaluation fund associated with the part which is accounted as income in the financial statements has been transferred to retained earnings.

Impact of business combinations under common control

The detail of impact of business combinations under common control as of 30 June 2014 and 31 December 2013 is as follows:

	30 June 2014	31 December 2013
BBM impact of share purchases	(43.646.268)	(43.646.268)
Beymen impact of share purchases	(202.724.939)	(202.724.939)
BBA merge impact (Note 3)	7.478.755	7.478.755
AYTK acquisition of shares from non-controlling interest (Note 3)	(12.105.679)	(12.105.679)
YKM acquisition of shares from non-controlling interest	(56.878.535)	(56.878.535)
	(307.876.666)	**(307.876.666)**

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

NOTE 19 - REVENUE AND COST OF SALES

Sales

	1 January - 30 June 2014	1 April- 30 June 2014	1 January - 30 June 2013	1 April- 30 June 2013
Domestic sales	1.595.434.360	817.832.570	475.800.866	349.482.158
Export sales	33.748.467	19.710.695	38.716.184	24.982.180
Other sales	3.002.548	2.465.746	310.076	37.358
Sales returns (-)	(158.992.859)	(82.818.074)	(50.778.489)	(39.508.447)
Sales discounts (-)	(72.578.277)	(38.405.362)	(53.729.009)	(37.634.727)
	1.400.614.239	**718.785.575**	**410.319.628**	**297.358.522**

Cost of sales

	1 January - 30 June 2014	1 April- 30 June 2014	1 January - 30 June 2013	1 April- 30 June 2013
I. Cost of finished goods sold	78.384.784	44.543.714	114.960.662	69.404.035
II. Cost of trade goods sold	745.348.580	355.762.491	143.940.787	114.040.032
III. Cost of services given	26.841.708	12.103.851	492.366	194.705
Cost of sales (I+II+III)	**850.575.072**	**412.410.056**	**259.393.815**	**183.638.772**

NOTE 20 - MARKETING, GENERAL ADMINISTRATIVE AND RESEARCH AND DEVELOPMENT EXPENSES

	1 January - 30 June 2014	1 April- 30 June 2014	1 January - 30 June 2013	1 April- 30 June 2013
Marketing expenses	431.363.956	225.450.927	122.374.796	85.426.922
General administrative expenses	116.581.496	62.892.761	31.968.886	22.200.213
Research and development expenses	2.551.641	1.235.782	2.205.571	552.604
	550.497.093	**289.579.470**	**156.549.253**	**108.179.739**

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

NOTE 20 - MARKETING AND GENERAL ADMINISTRATIVE EXPENSES (Continued)

Research and development expenses

	1 January - 30 June 2014	1 April- 30 June 2014	1 January - 30 June 2013	1 April- 30 June 2013
Wages and salaries	1.481.190	750.645	1.722.494	317.370
Outsourced benefits and services	563.421	242.075	194.563	112.798
Depreciation and amortization expenses	20.214	10.264	28.708	13.992
Other	486.816	232.798	259.806	108.444
	2.551.641	**1.235.782**	**2.205.571**	**552.604**

Marketing expenses

	1 January - 30 June 2014	1 April- 30 June 2014	1 January - 30 June 2013	1 April- 30 June 2013
Wages and salaries	126.110.540	62.936.824	39.445.099	25.954.625
Rent expense	106.061.327	50.125.953	28.966.278	20.373.162
Selling, commission and premium expenses	46.693.991	24.229.065	5.915.369	-
Brand, stores and export expenses	35.635.070	21.526.115	17.135.928	11.759.961
Outsourced benefits and services	56.627.074	35.638.271	13.494.013	10.776.049
Depreciation and amortization expenses	45.347.295	23.296.682	9.155.826	8.799.534
Other	14.888.659	7.698.017	8.262.283	7.763.591
	431.363.956	**225.450.927**	**122.374.796**	**85.426.922**

General administrative expenses

	1 January - 30 June 2014	1 April- 30 June 2014	1 January - 30 June 2013	1 April- 30 June 2013
Wages and salaries	60.108.499	32.244.200	15.187.464	10.595.177
Outsourced benefits and services	23.928.972	16.869.594	8.036.750	5.341.028
Rent expenses	10.167.414	4.763.979	2.376.170	1.796.492
Depreciation and amortization expenses	6.201.072	3.383.555	1.990.426	1.217.140
Travel expenses	3.703.514	1.624.832	414.430	266.532
Other	12.472.024	4.006.601	3.963.646	2.983.844
	116.581.495	**62.892.761**	**31.968.886**	**22.200.213**

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

NOTE 21 - OTHER OPERATING INCOME/EXPENSES

Other operating income

	1 January - 30 June 2014	1 April - 30 June 2014	1 January - 30 June 2013	1 April - 30 June 2013
Foreign exchange gains	42.230.057	15.116.771	8.328.280	5.782.952
Rediscount income	30.983.473	1.458.563	7.142.333	(1.272.345)
Interest income arising from the sales with extended terms	13.034.298	6.042.005	1.020.277	1.020.277
Commission income	3.053.576	1.911.699	842.392	822.562
Rent income	2.273.633	1.049.296	1.026.335	903.991
Income from shopping malls as a support for store decoration	4.170.241	1.189.707	229.486	229.486
Income from reclamation	1.662.920	949.963	90.000	90.000-
Income from brand licenses	951.137	664.360	324.642	230.421
Other	7.973.337	6.113.513	1.926.986	1.271.283
	106.332.672	**34.495.877**	**20.930.731**	**9.078.627**

Other operating expenses

	1 January - 30 June 2014	1 April - 30 June 2014	1 January - 30 June 2013	1 April - 30 June 2013
Foreign exchange losses	41.703.360	11.714.319	12.191.573	9.178.974
Rediscount expenses	28.317.713	325.352	7.252.796	389.633
Interest expense arising from the purchases with extended terms	16.484.105	7.564.192	916.291	916.291
Expense related to closed stores (Note 13)	-	-	3.834.362	3.834.362
Other	10.194.553	4.386.948	2.130.823	2.056.908
	96.699.731	**23.990.811**	**26.325.845**	**16.376.168**

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

NOTE 22 - INCOME/(EXPENSES) FROM INVESTING ACTIVITIES

Income from investing activities

	1 January - 30 June 2014	1 April - 30 June 2014	1 January - 30 June 2013	1 April - 30 June 2013
Gain on sale of fixed assets	5.703	5.411	-	-
Fair value gains related to business combinations (Note 3)	-	-	625.612.315	625.612.315
Other	-	-	476.000	476.000
	5.703	**5.411**	**626.088.315**	**626.088.315**

Loss from investing activities

	1 January - 30 June 2014	1 April - 30 June 2014	1 January - 30 June 2013	1 April - 30 June 2013
Loss on sale of fixed assets	271.210	8.707	-	-
Loss on sale of real estate	-	-	90.000	-
	271.210	**8.707**	**90.000**	**-**

NOTE 23 - FINANCIAL INCOME

Financial income

	1 January - 30 June 2014	1 April - 30 June 2014	1 January - 30 June 2013	1 April - 30 June 2013
Foreign exchange gains	21.541.443	12.748.315	4.301.069	1.728.712
Interest income	4.799.661	1.895.166	885.559	91.440
	26.341.104	**14.643.481**	**5.186.628**	**1.820.152**

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

NOTE 24 - FINANCIAL EXPENSES

Financial expenses

	1 January - 30 June 2014	1 April - 30 June 2014	1 January - 30 June 2013	1 April - 30 June 2013
Interest expenses arising from bank borrowings	67.393.843	36.081.756	37.572.606	22.622.619
Expenses related to bills and bonds	30.763.354	16.838.375	10.235.123	5.505.248
Interest expense arising from the purchases with extended terms	27.948.044	13.982.681	6.131.450	5.708.608
Foreign exchange losses	14.845.827	(17.422.256)	26.357.500	24.904.597
Credit card commissions and factoring expense	6.919.287	4.449.886	3.477.504	2.452.416
Factoring expenses	1.019.847	562.394	537.902	217.892
Interest expenses related to employee benefits	11.869.665	6.473.769	4.618.996	1.842.721
Other	67.393.843	36.081.756	37.572.606	22.622.619
	160.759.867	**60.966.605**	**88.931.081**	**63.254.101**

NOTE 25 - TAX ASSETS AND LIABILITIES

a) Corporate Tax

The Turkish corporation tax rate for 2014 is 20% (2013: 20%). This rate is applicable to the tax base derived upon exemptions and deductions stated in the tax legislation through addition of disallowable expenses to the commercial revenues of the companies with respect to the tax legislation. Taxes on profit for the period consist of the following:

	30 June 2014	31 December 2013
Corporate tax calculated	6.929.049	7.872.995
Prepaid taxes (-)	(2.955.881)	(6.664.684)
Tax payable acquired through business combinations (Note 3)	-	5.619.525
	3.973.168	**6.827.836**

Tax income and expense stated in the statement of comprehensive income are as follows:

	1 January - 30 June 2014	1 April - 30 June 2014	1 January - 30 June 2013	1 April - 30 June 2013
Current period corporate tax expense	(6.929.049)	(4.001.570)	(2.030.048)	(2.030.048)
Deferred tax income	9.179.789	4.191.449	4.787.617	3.462.366
Total tax income	**2.250.740**	**189.879**	**2.757.569**	**1.432.318**

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

NOTE 25 - TAX ASSETS AND LIABILITIES (Continued)

The reconciliation of the tax expense in the consolidated statement of comprehensive income is as follows:

	1 January - 30 June 2014	1 April - 30 June 2014	1 January - 30 June 2013	1 April - 30 June 2013
Profit/loss before tax	**(124.390.334)**	**(18.431.956)**	**538.067.745**	**567.738.545**
Corporate tax calculated at effective tax rate (20%)	24.878.067	3.686.391	(107.613.549)	(113.547.709)
Non-deductible expenses	(1.550.716)	(876.576)	(2.562.810)	(2.176.629)
Non-taxable income	313.398	313.398	386.373	386.373
Carry forward tax losses on which deferred income tax is not calculated	(21.398.879)	(3.470.185)	(16.488.373)	(11.313.292)
Other adjustments on which deferred income tax is not calculated	(134.408)	(75.600)	721.716	262.420
Consolidation adjustments on which deferred income tax is not calculated	(15.022)	272.578	126.143.890	125.650.833
Other	158.299	339.873	2.170.322	2.170.322
Total tax expense	**2.250.739**	**189.879**	**2.757.569**	**1.432.318**

b) Deferred tax assets and liabilities:

The breakdowns of cumulative temporary differences and the resulting deferred income tax assets/liabilities using principal tax rates are as follows:

	30 June 2014		**31 December 2013**	
	Temporary differences	**Deferred income tax asset / (liability)**	**Temporary differences**	**Deferred income tax asset / (liability)**
Tangible/intangible asset	997.572.315	(199.514.464)	(1.020.156.720)	(204.031.344)
Unearned finance expense on trade receivable and payable, net	(32.159.767)	6.431.953	6.207.889	(1.241.578)
Impairment on inventories	(26.584.692)	5.316.939	(22.369.827)	4.473.966
Provision for employee benefits	(29.340.389)	5.868.078	(32.431.580)	6.486.316
Provision for doubtful receivables	(9.494.292)	1.898.858	(10.170.436)	2.034.087
Provision for sales returns and price differences	(8.707.567)	1.741.514	(8.226.816)	1.645.363
Deferred income and customer loyalty programs	(16.449.123)	3.289.825	(26.143.616)	5.228.722
Carry forward tax losses	(21.398.879)	4.279.776	(24.447.181)	4.889.436
Fair value difference of real estate recognized in the income statement	79.420.184	(15.884.037)	78.586.831	(15.717.366)
Other	(20.045.638)	4.009.128	(19.209.177)	3.996.890
Deferred income tax asset/(liability), net		**(182.562.430)**		**(192.235.508)**
Deferred income tax asset		21.950.796		25.021.839
Deferred income tax (liability)		(204.513.226)		(217.257.347)

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

NOTE 25 - TAX ASSETS AND LIABILITIES (Continued)

The movement of deferred income tax assets/(liabilities) for the periods ended 30 June 2014 and 2013 is as follows:

	2014	2013
Opening balance - 1 January	**(192.235.509)**	**(11.413.531)**
Tax income for the period	9.179.788	4.787.617
Amount recognized in equity	493.290	191.750
Deferred income tax liability acquired through business combinations (Note 3)	-	(202.064.511)
Closing balance – 30 June	**(182.562.429)**	**(208.498.675)**

Deferred tax assets and liabilities are offset due to fulfilment of conditions such that there is an applicable right for offsetting current tax assets and liabilities, and furthermore, it is intended to fulfil the current tax liabilities simultaneously with the formation of current tax assets.

As of all reporting dates, derecognized deferred income tax assets are reviewed. In the event that it is likely for the future financial profits to allow gaining deferred income tax assets, deferred income tax assets which have not been recorded in the prior period are recognized.

NOTE 26 - EARNINGS/(LOSSES) PER SHARE

Earnings per share are calculated by dividing the net profit for the period by the weighted average number of Boyner Perakende shares during the period. The calculation is made as below.

	1 January - 30 June 2014	1 April - 30 June 2014	1 January - 30 June 2013	1 April - 30 June 2013
(Loss)/Profit for the current period (TRY)	(121.426.366)	(18.292.222)	539.877.064	568.222.613
Weighted average number of shares (*)	40.000.000	40.000.000	40.000.000	40.000.000
Earnings/(losses) per share of the Company (TRY)	(3,04)	(0,46)	13,49	14,20

(*) Per share of TRY 1 nominal value.

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

NOTE 27 - RELATED PARTY DISCLOSURES

a) Trade receivables from related parties as of 30 June 2014 and 31 December 2013 are as follows:

	30 June 2014		31 December 2013	
	Trade	**Other**	**Trade**	**Other**
Receivables from shareholders				
Boyner Holding A.Ş.	2.743.870	42.134.533	2.423.688	37.428.301
Receivables from associates				
Nile Bosphorus Retail And Trnd. Comp. (*)	2.977.839	-	2.993.125	-
İzkar Giyim Tic Ve San AŞ.	694.457	-	757.354	-
Christian Dior İstanbul Mağazacılık A.Ş (**)	4.725	-	64.522	-
Receivables from joint ventures				
Elif Co. For General Trading Ltd.	7.365.281	-	8.102.125	-
Christian Louboutin Mağazılık A.Ş	-	-	91.913	-
Receivables from other related parties				
BR Mağazacılık A.Ş.	12.680.545	-	12.679.596	-
Fırsat Teknoloji A.Ş.	10.481.545	-	6.760.707	-
Ran Konfeksiyon Tekstil Deri ve Yan Ürünler Ith.ve İhr. Turizm Ltd.	3.321.107	-	2.725.900	-
Era Mağazacılık A.Ş.	3.967.778	-	5.033.464	-
Nişantaşı Turizm İşletmeleri A.Ş.	34.210	-	24.149	-
Vista şahıs ortaklardan alacaklar	-	-	32.841	-
Christian Louboutin	-	-	9.693	-
Boyner Bireysel Ürünler Satış ve Pazarlama A.Ş.	7.277	-	4.842	-
Total	**44.278.634**	**42.134.533**	**41.703.919**	**37.428.301**

(*) Long-term receivables due from related parties.

b) Trade payables due to related parties as of 30 June 2014 and 31 December 2013 are as follows:

	30 June 2014		31 December 2013	
	Trade	**Other**	**Trade**	**Other**
Payables to shareholders				
Boyner Holding A.Ş.	1.598.281	10.502.625	4.133.225	41.349.748
Payables to shareholders	-	21.234.000	-	-
Payables to associates				
İzkar Giyim Tic Ve San AŞ. (*)	-	-	25.267	-
Payables to other related parties				
BNR Teknoloji A.Ş.	2.776.381	-	39.001.601	-
BR Mağazacılık A.Ş.	5.389.179	-	5.339.645	-
Alsis Sigorta Acentalığı A.Ş.	1.724.837	-	1.833.086	-
Boğaziçi Yatçılık ve Turizm Yatırımları ve Ticaret A.Ş.	32.616	-	4.706	-
Fırsat Teknoloji A.Ş.	2.620	-	3.138	-
Ran Konfeksiyon Tekstil Deri ve Yan Ürünler Ith.ve İhr. Turizm Ltd.	-	-	6.355	-
Yeni Ege Konfeksiyon Yan Ürünleri Ticaret ve Sanayi A.Ş.	91.030	-	-	-
Alsis Sigorta Ürünleri Ltd.Şti.	598.603	-	-	-
Christian Louboutin	70.996	-		
	12.284.543	**31.736.625**	**50.347.023**	**41.349.748**

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

NOTE 27 - RELATED PARTY DISCLOSURES (Continued)

c) The details of purchase transactions with related parties for the periods ended 30 June 2014 and 30 June 2013 are as follows:

	1 January – 30 June 2014			1 January - 30 June 2013		
Purchases	**Goods**	**Services**	**Interest/Other**	**Goods**	**Services**	**Interest / Other**
Shareholders						
Boyner Holding A.Ş.	2.588	9.072.903	1.788.932	198.537	31.047	689.226
Subsidiaries						
Boyner Büyük Mağazacılık A.Ş. (*)	-	-	-	4.977.048	-	311.751
Beymen Mağazacılık A.Ş. (*)	-	-	-	2.021.384	150.000	-
Joint-ventures						
İzkar Giyim Tic. ve San. A.Ş.	-	-	-	804.925	-	-
Other related parties						
BR Mağazacılık A.Ş.	7.941.616	-	-	21.254.416	83.672	519.031
Fırsat Teknoloji A.Ş.	-	112.993	-	3.532.005	545	833.398
Ran Konfeksiyon Tekstil Deri Yan Ürünler Ith. ve İhr. Turizm Ltd.	-	-	-	1.142.904	158.516	-
Boğaziçi Yatçılık ve Turizm Yatırımları ve Ticaret A.Ş.	-	92.500	-	-	-	-
Fırsat Elektronik A.Ş.	-	-	-	926.960		
H.F. Boyner Bıraderler Eksport A.Ş.	-	-	-	1.618	-	-
Boyner Bireysel Ürünler Satış ve Paz. A.Ş.	-	-	-	428	-	-
Alsis Sigorta Acentalığı A.Ş.	-	2.953.944	-	-	-	-
Nişantaşı Turizm İşletmeleri A.Ş.	-	-	-	-	49.330	-
Era Mağazacılık A.Ş.	-	-	368.679	1.022.328	253.749	-
BNR Teknoloji A.Ş.	-	76.167	-	-	-	-
Yeni Ege Koleksiyon Yan Ürünleri Ticaret ve Sanayi A.Ş.	54.664	-	-	-	-	-
	7.998.868	**12.308.507**	**1.788.932**	**35.882.553**	**726.859**	**2.353.406**

(*) BBM and Beymen are fully consolidated regarding the acquisition held on 31 May 2013. The related party balances of BBM and Beymen result of the transactions held until 31 May 2013.

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

NOTE 27 - RELATED PARTY DISCLOSURES (Continued)

d) The details of sales transactions with related parties for the periods ended 30 June 2014 and 30 June 2013 are as follows:

	1 January – 30 June 2014			1 January - 30 June 2013		
Sales	**Goods**	**Services**	**Interest/Others**	**Goods**	**Services**	**Interest/Other**
Shareholders						
Boyner Holding A.Ş.	39.608	472.470	2.104.931	17.251	6.074.380	2.782.601
Subsidiaries						
Beymen Mağazacılık A.Ş. (*)	-	-	-	679.352	-	1.112.255
Boyner Büyük Mağazacılık A.Ş. (*)	-	-	-	-	-	850.000
Associates						
İzkar Giyim Tic. ve San. A.Ş.	4.926.042	-	-	-	-	-
Christian Dior İstanbul Mağazacılık A.Ş.						
Joint ventures						
Elif Co. For General Trading Ltd.	3.165.999	-	-	-	-	-
Other related parties						
BR Mağazacılık A.Ş.	18.831.179	132.834	1.278.051	2.909.673	60.150	75
Fırsat Teknoloji A.Ş.	12.803.913	589.558	85.104	22.340	-	-
Alsis Sigorta Acentalığı A.Ş.	-	36.000	-	-	2.133.140	1.570.546
BBA Beymen Boğaziçi Alboy Mağazacılık Teks.San. ve Tic. A.Ş	-	-	-	-	-	126.986
Ran Konfeksiyon Tekstil Deri ve Yan Ürünler Ith. ve İhr. Turizm Ltd.	3.011.436	-	81.407	-	-	90.313
Boyner Bireysel Ürünler Satış ve Paz. A.Ş.	7.885	-	-	-	-	-
BNR Teknoloji A.Ş.	-	-	-	-	108.117	123.646
Boğaziçi Yatçılık ve Turizm Yatırımları ve Tic. A.Ş.	-	-	-	-	54.000	1.500
Era Mağazacılık A.Ş.	-	-	368.679	-	-	3.070.367
Nişantaşı Turizm İşletmeleri A.Ş.	-	26.100	-	-	1.105	-
Back Up Bireysel Ürünler Satış ve Pazarlama A.Ş	-	15.850	-	-	-	-
	42.786.062	**1.272.812**	**3.918.172**	**3.628.616**	**8.430.892**	**9.728.289**

(*) BBM and Beymen are fully consolidated regarding the acquisition held on 31 May 2013. The related party balances of BBM and Beymen result of the transactions held until 31 May 2013.

e) The top management team comprises of board members, general manager and deputy general managers. As of 30 June 2014, the Group has provided remuneration to its top executives amounting to TRY 23.197.001 (30 June 2013: TRY 6.632.155)

NOTE 28 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

i. Foreign currency risk

The Group carries foreign currency risk because of its foreign currency loans and payables abroad. The risk is decreased at a certain rate due to the exports and foreign currency receivables from the local market.

The rate of net foreign currency position to equity is monitored by the management on regular basis.

The foreign currency risk is anticipated to decrease upon using local resources to cover some of the purchases made abroad.

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise stated.)

NOTE 28 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

i. Foreign currency risk (continued)

Foreign currency position as of 30 June 2014 and 31 December 2013 is set out in the table below:

	30 June 2014					31 December 2013				
	TRY Equivalent (Functional Currency)	**USD**	**EUR**	**GBP**	**CHF**	**TRY Equivalent (Functional Currency)**	**USD**	**EUR**	**GBP**	**CHF**
1. Trade receivables	41.399.975	15.985.271	2.444.000	107.788	31.681	34.468.982	12.464.000	2.562.990	97.069	-
2a. Monetary financial assets, (cash and banks account included)	7.969.902	2.894.496	620.724	7.939	4	9.858.143	1.514.331	2.225.480	25.911	-
2b. Non-Monetary financial assets	7.513.558	2.373.483	840.277	12.109	-	10.953.832	2.173.054	2.135.351	12.937	-
3. Other	27.742.260	2.893.698	7.296.273	137.887	-	10.940.699	2.038.562	2.142.576	84.900	-
4. Current Assets (1+2+3)	84.625.695	24.146.948	11.201.274	265.723	31.685	66.221.656	18.189.947	9.066.397	220.817	-
5. Trade receivables	-	-	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-	-	-
6b. Non-monetary Financial Assets	8.383.643	3.944.131	3.000	-	-	909.255	58.666	267.000	-	-
7. Other	-	-	-	-	-	-	-	-	-	-
8. Non-Current Assets (5+6+7)	8.383.643	3.944.131	3.000	-	-	909.255	58.666	267.000	-	-
9. Total Assets (4+8)	93.009.338	28.091.079	11.204.274	265.723	31.685	67.130.911	18.248.613	9.333.397	220.817	-
10. Trade payables	165.815.168	35.494.833	31.046.778	183.205	30.000	163.888.953	24.178.423	38.213.782	19.985	
11. Financial liabilities	95.684.629	34.600.249	7.681.614	-	-	104.269.535	31.216.064	12.819.714	-	-
12a. Financial liabilities	728.495.831	342.484.752	408.797	22.583	-	66.973.903	30.324.850	766.662	71	-
12b. Other non-monetary liabilities	2.851.422	1.123.490	161.028	35	-	-	-	-	-	-
13. Current Liabilities (10+11+12)	992.847.050	413.703.324	39.298.217	205.823	30.000	335.132.391	85.719.337	51.800.158	20.056	-
14. Trade payables	-	-	-	-	-	-	-	-	-	-
15. Financial Liabilities	228.680	105.647	1.504	-	-	25.771.166	3.038.878	6.567.440	-	-
16a. Other monetary liabilities	76.718	36.130	-	-	-	686.875.985	321.827.290	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-	-	-	-	-	-
17. Non-current liabilities (14+15+16)	305.398	141.777	1.504	-	-	712.647.151	324.866.168	6.567.440	-	-
18. Total liabilities (13+17)	993.152.448	413.845.101	39.299.721	205.823	30.000	1.047.779.542	410.585.505	58.367.598	20.056	-
19. Net assets of off balance sheet derivative items(liability) position (19a-19b)	-	-	-	-	-	-	-	-	-	-
19a. Total amount of assets hedged	-	-	-	-	-	-	-	-	-	-
19b. Total amount of liabilities hedged	-	-	-	-	-	-	-	-	-	-
20. Net foreign assets / (liability) position (9-18+19)	(900.143.110)	(385.754.022)	(28.095.447)	59.900	1.685	(980.648.631)	(392.336.892)	(49.034.201)	200.761	-
21. Net foreign currency asset / (liability) /(position of monetary items (UFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(940.931.149)	(393.841.844)	(36.073.969)	(90.061)	1.685	(1.003.452.417)	(396.607.174)	(53.579.128)	102.924	-
22. Fair value of derivative instruments used in foreign currency hedge	-	-	-	-	-	-	-	-	-	-
23. Partial total amount of foreign currency assets hedged	-	-	-	-	-	-	-	-	-	-
24. Partial total amount of foreign currency liabilities hedged	-	-	-	-	-	-	-	-	-	-
25. Export	33.002.814	6.042.241	6.534.891	193.485	-	84.422.904	27.973.389	15.836.227	637.859	-
26. Import	202.092.773	20.989.455	53.214.729	90.773	-	295.511.042	39.571.714	91.883.615	399.866	62.932

NOTE 28 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Foreign currency sensitivity

As of 30 June 2014 and 31 December 2013, a potential change of 10% in Turkish Lira against the foreign currencies stated below will decrease the Group's profit by the amounts stated below. This analysis is based on the assumption that variables, especially the interest rates, will remain constant.

	30 June 2014			
	Profit/Loss		Equity	
	Foreign currency appreciation	Foreign currency devaluation	Foreign currency appreciation	Foreign currency devaluation
Change of USD against TRY by 10%:				
1- USD net assets / liabilities	(81.911.009)	81.911.009	-	-
2- USD hedged from risks (-)				-
3- USD net effect (1+2)	**(81.911.009)**	**81.911.009**	**-**	**-**
4- EUR net assets / liabilities	(8.124.922)	8.124.922	-	-
5- EUR hedged from risks (-)				-
6- EUR net effect (4+5)	**(8.124.922)**	**8.124.922**	**-**	**-**
7- Other currencies net assets / liabilities	21.620	(21.620)	-	-
8- Other currencies hedged from risks (-)			-	-
9- Other currencies net effect (7+8)	**21.620**	**(21.620)**	**-**	**-**
TOTAL (3+6+9)	**(90.014.311)**	**90.014.311**	**-**	**-**

	31 December 2013			
	Profit/Loss		Equity	
	Foreign currency appreciation	Foreign currency devaluation	Foreign currency appreciation	Foreign currency devaluation
Change of USD against TRY by 10%:				
1- USD net assets / liabilities	(83.736.463)	83.736.463	-	-
2- USD hedged from risks (-)			-	-
3- USD net effect (1+2)	**(83.736.463)**	**83.736.463**	**-**	**-**
Change of EUR against TRY by 10%:				
4- EUR net assets / liabilities	(14.398.893)	14.398.893	-	-
5- EUR hedged from risks (-)			-	-
6- EUR net effect (4+5)	**(14.398.893)**	**14.398.893**	**-**	**-**
Change of other currencies against TRY by 10%:				
7- Other currencies net assets / liabilities	70.493	(70.493)	-	-
8- Other currencies hedged from risks (-)			-	-
9- Other currencies net effect (7+8)	**70.493**	**(70.493)**	**-**	**-**
TOTAL (3+6+9)	**(98.064.863)**	**98.064.863**	**-**	**-**

NOTE 29 - SUBSEQUENT EVENTS

Boyner Danışmanlık Servis ve Ticaret A.Ş. sold its 1.45% shares of Boyner Perakende, whose nominal value is amounting to TRY 580.000, to its related party, Boyner Holding on 23 July 2014.
As as result of this transaction, ownership share of Boyner Holding increased from 77.66% to 79.11%.

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