CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

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

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2014 TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITOR'S REPORT

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

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Boyner Perakende ve Tekstil Yatırımları A.Ş. (the "Company") and its Subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of balance sheet as at 31 December 2014 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

2. The Group's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Turkish Accounting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our audit was conducted in accordance with standards on auditing issued by the Capital Markets Board of Turkey and Independent Auditing Standards that part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority. Those standards require that ethical requirements are complied with and that the audit is planned and performed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

   An independent audit involves performing procedures to obtain evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on independent auditor's professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to error or fraud. In making those risk assessments, the independent auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An independent audit includes also evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. a member of PricewaterhouseCoopers
BJK Plaza, Süleyman Seba Cad. No:48 B Blok Kat:9 Akaretler Beşiktaş 34357 İstanbul - Turkey
www.pwc.com/tr *Telephone: +90 (212) 326 6060, Facsimile: +90 (212) 326 6050*

Basis for Qualified Opinion

4. 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 TRY 5.472.508 in the accompanying consolidated financial statements since the associate did not prepare its financial statements in accordance with Turkish Accounting Standards. As of 31 December 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 the receivables from Nile Bosphorus amounting to TRY 3.252.007.

Qualified Opinion

5. In our opinion, except for the possible effects of the matters described in paragraph 4, the consolidated financial statements present fairly, in all material respects, the financial position of Boyner Perakende ve Tekstil Yatırımları A.Ş. and its Subsidiaries as at 31 December 2014 and their financial performance and cash flows for the period then ended in accordance with Turkish Accounting Standards.

Other Responsibilities Arising From Regulatory Requirements

6. In accordance with subparagraph 4 of Article 398 of the Turkish Commercial Code ("TCC") No: 6102; auditor's report on the early risk identification system and committee has been submitted to the Company's Board of Directors on 5 March 2015.

7. In accordance with subparagraph 4 of Article 402 of the TCC; no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2014 is not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.

8. In accordance with subparagraph 4 of Article 402 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

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

Cihan Harman, SMMM
Partner

Istanbul, 5 March 2015

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2014

TABLE OF CONTENTS **PAGE**

CONSOLIDATED BALANCE SHEETS		**1 - 2**
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		**3**
CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY		**4**
CONSOLIDATED STATEMENTS OF CASH FLOWS		**5**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS		**6 - 77**
NOTE 1	GROUP'S ORGANIZATION AND NATURE OF ACTIVITIES	6
NOTE 2	BASIS OF PRESENTATION OF FINANCIAL STATEMENTS	6-29
NOTE 3	BUSINESS COMBINATIONS	29-34
NOTE 4	SEGMENT REPORTING	35-36
NOTE 5	CASH AND CASH EQUIVALENTS	37
NOTE 6	FINANCIAL ASSETS AND INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	37-38
NOTE 7	FINANCIAL LIABILITIES	39-41
NOTE 8	DERIVATIVE FINANCIAL INSTRUMENTS	41
NOTE 9	OTHER FINANCIAL LIABILITIES	41
NOTE 10	TRADE RECEIVABLES AND PAYABLES	42-43
NOTE 11	OTHER RECEIVABLES AND PAYABLES	43-44
NOTE 12	INVENTORIES	44-45
NOTE 13	PREPAID EXPENSES AND DEFERRED REVENUE	45-46
NOTE 14	INVESTMENT PROPERTIES	46-47
NOTE 15	PROPERTY, PLANT AND EQUIPMENT	48-49
NOTE 16	INTANGIBLE ASSETS	50-52
NOTE 17	PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	53-54
NOTE 18	COMMITMENTS	54-55
NOTE 19	EMPLOYEE BENEFITS	55-56
NOTE 20	OTHER ASSETS AND LIABILITIES	57
NOTE 21	EQUITY	57-59
NOTE 22	REVENUE AND COST OF SALES	59
NOTE 23	RESEARCH AND DEVELOPMENT, MARKETING AND GENERAL ADMINISTRATIVE EXPENSES	60
NOTE 24	EXPENSES BY NATURE	61
NOTE 25	OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES	61-62
NOTE 26	INCOME FROM INVESTING ACTIVITIES	62
NOTE 27	FINANCIAL INCOME	62
NOTE 28	FINANCIAL EXPENSES	63
NOTE 29	TAX ASSETS AND LIABILITIES	63-66
NOTE 30	EARNINGS/(LOSSES) PER SHARE	66
NOTE 31	RELATED PARTY DISCLOSURES	67-69
NOTE 32	NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS	69-77
NOTE 33	FAIR VALUE DISCLOSURES OF FINANCIAL INSTRUMENTS	77
NOTE 34	SUBSEQUENT EVENTS	77

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2014 AND 2013

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

	Notes	Audited 31 December 2014	Restated Audited 31 December 2013
ASSETS			
Current Assets		**1.802.361.182**	**1.630.693.677**
Cash and cash equivalents	5	317.079.148	289.556.875
Trade receivables	10	390.513.668	378.482.245
- *Trade receivables from related parties*	*10 and 31*	*55.781.340*	*38.710.794*
- *Trade receivables from third parties*	*10*	*334.732.328*	*339.771.451*
Other receivables	11	87.716.893	44.571.064
- *Other receivables from related parties*	*11 and 31*	*85.685.494*	*37.428.301*
- *Other receivables from third parties*	*11*	*2.031.399*	*7.142.763*
Inventories	12	905.705.640	814.280.963
Prepaid expenses	13	19.478.987	27.631.057
Derivative instruments	8	1.683.738	-
Other current assets	20	80.183.108	76.171.473
Non-current assets		**2.260.488.411**	**2.272.340.911**
Financial investments	6	104.891	121.284
Trade receivables	10	11.840.010	13.353.049
- *Trade receivables from related parties*	*10 and 31*	*3.252.007*	*2.993.125*
- *Trade receivables from third parties*	*10*	*8.588.003*	*10.359.924*
Other receivables	11	1.622.518	1.479.303
- *Other receivables from third parties*	*11*	*1.622.518*	*1.479.303*
Investments accounted for using the equity method	6	13.662.699	12.141.961
Investment properties	14	138.886.740	121.350.000
Property, plant and equipment	15	273.186.610	269.256.111
Intangible assets		1.772.003.962	1.819.374.956
- *Goodwill*	*3*	*796.129.432*	*796.129.432*
- *Other intangible assets*	*16*	*975.874.530*	*1.023.245.524*
Prepaid expenses	13	4.150.627	847.324
Deferred tax assets	29	20.780.265	25.021.839
Derivative instruments	8	3.248.768	-
Other non-current assets	20	21.001.321	9.395.084
TOTAL ASSETS		**4.062.849.593**	**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 consolidated financial statements.

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

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2014 AND 2013

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

	Notes	Audited 31 December 2014	Restated Audited 31 December 2013
LIABILITIES			
Current liabilities		**3.129.376.005**	**2.181.439.576**
Short-term financial liabilities	7	438.870.033	528.033.425
Current portion of long-term financial liabilities	7	576.464.279	390.944.712
Other financial liabilities	9	109.628.739	58.629.605
Trade payables	10	1.009.860.681	919.037.377
- *Trade payables to related parties*	*10 and 31*	*11.302.260*	*50.347.023*
- *Trade payables to third parties*	*10*	*998.558.421*	*868.690.354*
Payables related to employee benefits	19	20.615.929	17.980.710
Other payables	11	836.782.842	129.745.739
- *Other payables to related parties*	*11and 31*	*31.534.946*	*41.349.748*
- *Other payables to third parties*	*11*	*805.247.896*	*88.395.991*
Deferred revenue	13	98.735.800	98.922.159
Corporate tax payable	29	2.198.101	6.827.836
Short term provisions		23.544.105	22.433.341
- *Short term provisions for employee benefits*	*17*	*12.226.042*	*10.894.799*
- *Other short term provisions*	*17*	*11.318.063*	*11.538.542*
Other current liabilities	20	12.675.496	8.884.672
Non-current liabilities		**799.643.988**	**1.360.095.219**
Long term financial liabilities	7	508.466.993	376.561.976
Trade payables	11	45.466.243	732.289.853
- *Trade payables to third parties*	*11*	*45.466.243*	*732.289.853*
Long term provisions		24.318.778	21.536.781
- *Long term provisions for employee benefits*	*19*	*24.318.778*	*21.536.781*
Deferred revenue	13	15.907.210	12.449.262
Deferred tax liability	29	205.484.764	217.257.347
EQUITY		**133.829.600**	**361.499.793**
Equity attributable to parent		**121.030.239**	**348.767.251**
Paid-in share capital	21	40.000.000	40.000.000
Adjustments to share capital	21	56.061.369	56.061.369
Other comprehensive income/expense not to be reclassified to profit or loss		7.018.909	17.662.801
- *Gain on revaluation and re-measurement*	*21*	*20.566.110*	*29.805.030*
- *Other funds*		*36.560*	*36.560*
- *Actuarial loss arising from employee benefits*		*(13.583.761)*	*(12.178.789)*
Other comprehensive income/expense to be reclassified to profit or loss		(1.310.987)	(935.086)
- *Currency translation differences*		*(1.310.987)*	*(935.086)*
Impact of business combinations of entities under common control	21	(307.876.666)	(307.876.666)
Restricted reserves	21	33.451.107	33.451.107
Retained earnings		519.642.646	82.367.106
Net (loss)/profit for the year		(225.956.139)	428.036.620
Non-controlling interest		**12.799.361**	**12.732.542**
TOTAL LIABILITIES		**4.062.849.593**	**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 consolidated financial statements.

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

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013

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

	Notes	Audited 1 January - 31 December 2014	Audited 1 January - 31 December 2013
Revenue	22	3.160.413.690	1.901.596.416
Cost of sales (-)	22	(1.908.339.125)	(1.175.022.725)
GROSS PROFIT		**1.252.074.565**	**726.573.691**
Marketing expenses (-)	23	(887.032.629)	(512.156.850)
General administrative expenses (-)	23	(227.553.997)	(130.609.454)
Research and development expenses (-)	23	(5.311.048)	(5.024.714)
Other operating income	25	175.492.061	131.623.517
Other operating expense (-)	25	(167.898.752)	(125.979.428)
OPERATING PROFIT		**139.770.200**	**84.426.762**
Income from investing activities	26	70.695	627.018.402
Expense from investing activities (-)	26	(2.031.153)	(3.124.579)
Share of profit of investments accounted for using the equity method		2.115.938	7.003.197
OPERATING PROFIT BEFORE FINANCIAL INCOME AND EXPENSE		**139.925.680**	**715.323.782**
Financial income	27	18.709.852	14.520.391
Financial expense (-)	28	(379.645.067)	(296.203.234)
(LOSS)/PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**(221.009.535)**	**433.640.939**
Current period tax expense	*29*	*(12.059.552)*	*(10.666.708)*
Deferred tax income	*29*	*7.179.767*	*5.618.611*
(LOSS)/PROFIT FROM CONTINUED OPERATIONS		**(225.889.320)**	**428.592.842**
NET (LOSS)/PROFIT FOR THE PERIOD		**(225.889.320)**	**428.592.842**
Profit for the period attributable to			
Non-controlling interest		66.819	556.222
Equity holders of the parent		(225.956.139)	428.036.620
Earnings/(loss) per share			
Earnings/(loss) per share from continued operations		(5.65)	10.70
Earnings/(loss) per share from discontinued operations		-	-
OTHER COMPREHENSIVE INCOME			
Items not to be classified to profit or loss			
Actuarial gain/(losses) arising from employee benefits, net	19	(1.756.215)	(3.879.274)
Other gain		-	435.514
Deferred tax income	29	351.243	775.855
Items to be classified to profit or loss			
Currency translation differences		(375.901)	(509.816)
OTHER COMPREHENSIVE LOSS		**(1.780.873)**	**(3.177.721)**
TOTAL COMPREHENSIVE (LOSS)/INCOME		**(227.670.193)**	**425.415.121**
Total comprehensive (loss)/income attributable to			
Non-controlling interest		66.819	686.820
Equity holders of the parent		(227.737.012)	424.728.301

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. The fair value increase amounting to TRY 625.612.315 related to this transaction has been recognized as "fair value gain of the previously held interest in the acquiree" (Note 3 and 26).

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013

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

			Other comprehensive income to be reclassifed to profit or loss	Other comprehensive income not to be reclassifed to profit or loss									
				Gain/(loss) on revaluation and re-measurement		Other gain/losses							
	Paid in share capital	**Adjustments to share capita**	**Currency translation differences**	**Revaluation reserve of property plant and equipment**	**Actuarial (loss)/gain**	**Shares of associates in accounted for using the equity method to be classified from other comprehensive income to net income**	**Impact of business combinations regarding common control transactions**	**Restricted reserves**	**Retained earnings**	**Net income /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	-	-	(509.816)	-	(3.234.017)	435.514	-	-	-	428.036.620	424.728.301	686.820	425.415.121
Revaluation reserve of property, plant and equipment (Note 20)	-	-	-	(45.076.755)	-	-	-	-	45.076.755	-	-	-	-
Transactions with non controlling interest Acquisition of AYTK (Note 21)	-	-	-	-	-	-	(12.105.679)	-	-	-	(12.105.679)	(7.992.104)	(20.097.783)
Transactions with non-controlling interest acquisition of YKM (Note 21)	-	-	-	-	-	-	(56.878.535)	-	-	-	(56.878.535)	(15.170.741)	(72.049.276)
Non-controlling interests arising on business combinations	-	-	-	-	-	1.537.450	-	-	-	-	1.537.450	30.142.673	31.680.123
Balance at 31 December 2013	**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**
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	-	-	(375.901)	-	(1.404.972)	-	-	-	-	(225.956.139)	(227.737.012)	66.819	(227.670.193)
Revaluation reserve of property, plant and equipment (Note 20)	-	-	-	(9.238.920)	-	-	-	-	9.238.920	-	-	-	-
Balance at 31 December 2014	**40.000.000**	**56.061.369**	**(1.310.987)**	**20.566.110**	**(13.583.761)**	**36.560**	**(307.876.666)**	**33.451.107**	**519.642.646**	**(225.956.139)**	**121.030.239**	**12.799.361**	**133.829.600**

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

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

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013

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

	Notes	Audited 1 January - 31 December 2014	Audited 1 January - 31 December 2013
A. CASH FLOWS FROM OPERATING ACTIVITIES		**70.825.236**	**233.127.964**
Net (Loss)/Profit for the period from continuing operations		**(225.889.320)**	**428.592.842**
Adjustments to reconcile (loss)/profit for the period		**399.522.836**	**(344.845.099)**
Depreciation and amortization	15,16 and 24	110.201.797	64.771.971
Provision for doubtful receivables	10	1.122.412	1.120.944
Provision for employment termination benefits	19	6.765.779	2.325.710
Provision for impairment of inventories	12	4.114.746	3.206.706
Adjustments related to interest income		(10.401.222)	(16.093.842)
Adjustments related to interest expenses		215.827.150	121.165.724
Changes in fair value of previously held equity interests	26	-	(625.612.315)
Provision for unused vacation rights	17	1.331.243	4.794.895
Provision for litigation	17	1.513.902	983.578
Provision for sales returns	17	7.998.541	-
Other short-term provisions	17	51.578	-
Change in the fair value of investment properties	25	(6.760.714)	(9.452.300)
(Gain)/loss on sale of tangible and intangible assets	26	2.031.153	2.104.492
Share of profit of investments accounted for using the equity method	6	(2.115.938)	(1.545.589)
Expenses related to closed stores	25	284.015	3.570.355
Unearned finance expense		2.079.346	20.707.992
Change in the contingent consideration arising from acquisition of subsidiary	25	-	(12.446.229)
Loss on sale of non-current assets held for sale	26	-	90.000
Adjustments related to tax income/(loss)	29	4.879.785	5.048.097
Fair value adjustment of derivative financial instruments	8	(4.932.506)	-
Unrealized foreign currency (gain)/loss		65.531.769	90.414.712
Changes in net working capital		**(102.808.280)**	**149.380.221**
Change in inventories		(95.539.423)	570.754
Change in trade receivables and other receivables		52.022.729	(20.570.290)
Change in trade receivables and other receivables due from related parties		(64.380.099)	58.689.917
Change in prepaid expenses		4.848.767	(1.840.394)
Change in other current and non-current assets		(15.617.872)	(464.949)
Change in deferred revenue		3.271.588	(60.245.238)
Change in liabilities related to emloyee benefits		2.635.219	(1.240.771)
Change in trade payables and other payables		90.276.801	314.164.756
Transfers to investment property from inventories	14	(10.736.740)	-
Change in trade payables and other payables due to related parties		(48.628.853)	(120.925.121)
Change in other liabilities		3.790.824	(8.550.316)
Litigation provisions paid	17	(1.744.044)	(128.100)
Other provisions paid	17	(9.457)	(118.720)
Employee termination benefits paid	19	(8.498.225)	(5.355.393)
Taxes paid	29	(16.689.287)	(9.458.397)
Proceeds from doubtful receivables	10	2.189.792	4.852.483
B. CASH FLOWS FROM INVESTING ACTIVITIES		**(68.520.556)**	**(187.842.963)**
Cash change from the acquisition of shares in other entities or funds or debt instruments	3	-	(91.832.671)
Purchases of property, equipment and intangible assets	15, 16	(70.471.041)	(76.553.551)
Sale of tangible and intangible assets		1.394.571	-
Proceeds from disposal of non-current assets held for sale		-	339.974
Income from associates accounted for using the equity method	6	595.200	396.768
Purchase of investment properties	14	(39.286)	(95.700)
Payment to non-controlling interest for the acquisition of AYTK shares	3	-	(20.097.783)
C. CASH FLOWS FROM FINANCING ACTIVITIES		**25.593.494**	**209.077.385**
Interest paid		(213.068.922)	(131.547.048)
Other interest income and commissions		10.401.221	3.205.145
Cash inflows from bank borrowings		228.261.195	337.419.288
NET INCREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF CURRENCY TRANSLATION DIFFERENCES (A+B+C)		**27.898.174**	**254.362.386**
D. EFFECTS OF CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS		**(375.901)**	**(509.816)**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**27.522.273**	**253.852.570**
RESTRICTED CASH	**5**	**(6.130.205)**	**(5.119.014)**
E. CASH AND CASH EQUIVALENTS AT THE BEGINING OF THEPERIOD	**5**	**289.556.875**	**35.704.305**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	**5**	**317.079.148**	**289.556.875**

The accompanying notes form an integral part of these 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 31 December 2014 and 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. 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 368,143 square meters (296,839 square meters of its own stores and 71 304 square meters of others) (31 December 2013: 351,751 square meters (282,026 square meters of its own stores, and 69 725 square meters of others)) and operates in 394 stores (280 own stores and 114 other) (31 December 2013: 383 stores (265 own stores and 118 other).

The consolidated financial statements as at and for the year ended 31 December 2014 have been approved and authorized for issue on 5 March 2015 by the Board of Directors, and signed by the member of Board of Directors, Türkay Tatar and Director of Financial Affairs, Ömer Akdoğan on behalf of Board of Directors. The General Assembly and specified regulatory bodies have the right to make amendments to the financial statements after issue.

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

The accompanying 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, the consolidated financial statements are prepared in accordance with the Turkish Accounting Standards 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").

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 and the consolidated financial statements of the Group have been prepared accordingly.

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

2.1 Basis of presentation (Continued)

The Group and its Turkish subsidiaries maintains their books of accounts and prepares their statutory financial statements in accordance with the principles issued by CMB, the Turkish Commercial Code ("TCC"), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance. The foreign subsidiary maintains its books of account in accordance with the laws and regulations in force in the countries in which they operate. These consolidated financial statements have been prepared under historical cost conventions except for the financial assets and investment properties carried at fair value. The 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 consolidated financial statements have been prepared assuming that the Company and its consolidated subsidiaries will continue as a going concern on the basis that they will be able to realize its assets and discharge its liabilities in the normal course of business. As of 31 December 2014, the total current liabilities of the Group exceed its total current assets by TRY 1.327.014.823. The Group management is considering several scenarios for the redemption plan related to the purchase of shares held on 31 May 2013 such as converting long term liabilities to short term liabilities and sale of subsidiary as well as improving the capital structure if necessary. The main shareholders of the Group continue to provide financial support to the Group.

2.2 Significant changes in the accounting policies

New and amended international financial reporting standards

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 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 2015. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

a) In accordance with TAS 8 paragraph 28, standards, amendments and TFRICS applicable in annual periods starting from 31 December 2014:

- Amendment to IAS 32, "Financial instruments: Presentation", on offsetting financial assets and financial liabilities, effective from annual periods beginning on or after 1 January 2014. This amendment updates the application guidance in IAS 32, "Financial instruments: Presentation", to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. This amendment has no impact on the financial position and performance of the Group.

- Amendments to IAS 36, "Impairment of assets", effective from annual periods beginning on or after 1 January 2014. These amendments address 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 has no impact on disclosures of the Group's financial statements.

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

2.2 Significant changes in the accounting policies (Continued)

- Amendment to IAS 39 "Financial instruments: Recognition and measurement", on novation of derivatives and hedge accounting, effective from annual periods beginning on or after 1 January 2014. These narrow-scope amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. This amendment has no impact on the financial position and performance of the Group since the Group do not apply hedge accounting.

- IFRIC 21, "Levies", effective from annual periods beginning on or after 1 January 2014. This interpretation is on IAS 37, "Provisions, contingent liabilities and contingent assets". IAS 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 has no impact on the financial position and performance of the Group.

- Amendments to IFRS 10, "Consolidated financial statements", IFRS 12 and IAS 27 for investment entities, effective from 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. Changes have also been made IFRS 12 to introduce disclosures that an investment entity needs to make. This amendment has no impact on the financial position and performance of the Group.

b) In accordance with TAS 8 paragraph 30, standards, amendments and interpretations issued as of 31 December 2014 but not early adopted by Group

Standards, amendments and interpretations that have been published as of the approval date of these consolidated financial statements but not yet effective as of the date of consolidated financial statements and not early adopted by the Group are as follows. Unless otherwise indicated, the Group will perform the required changes related to these new standards and interpretations when they are in force.

- Annual improvements 2012; effective from 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. None of these improvements is expected to have a significant effect on the financial position and performance of the Group.

  - IFRS 2, "Share-based payment"
  - IFRS 3, "Business Combinations"
  - IFRS 8, "Operating segments"
  - IFRS 13, "Fair value measurement"
  - IAS 16, "Property, plant and equipment" and IAS 38,"Intangible assets"
  - Consequential amendments to IFRS 9, "Financial instruments", IAS 37, "Provisions, contingent liabilities and contingent assets", and
  - IAS 39, "Financial instruments – Recognition and measurement"

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

2.2 Significant changes in the Accounting Policies (Continued)

- Annual improvements 2013; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2011-12-13 cycle of the annual improvements project, that affect 4 standards. None of these improvements is expected to have a significant effect on the financial position and performance of the Group.

  - IFRS 1, "First time adoption"
  - IFRS 3, "Business combinations"
  - IFRS 13, "Fair value measurement" and
  - IAS 40, "Investment property".

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

- Amendment to IFRS 11, "Joint arrangements" on acquisition of an interest in a joint operation, effective from annual periods beginning on or after 1 January 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. This amendment is not expected to have a significant effect on the financial position and performance of the Group.

- Amendment to IAS 16, "Property, plant and equipment" and IAS 38, "Intangible assets", on depreciation and amortisation, effective from annual periods beginning on or after 1 January 2016. In this amendment the it 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 also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This amendment is not expected to have a significant effect on the financial position and performance of the Group.

- Amendments to IAS 27, "Separate financial statements" on the equity method, effective from annual periods beginning on or after 1 January 2016. These amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. This amendment is not expected to have a significant effect on the financial position and performance of the Group.

- Amendments to IFRS 10, "Consolidated financial statements" and IAS 28, "Investments in associates and joint ventures", effective from annual periods beginning on or after 1 January 2016. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. This amendment is not expected to have a significant effect on the financial position and performance of the Group.

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

2.2 Significant changes in the Accounting Policies (Continued)

- IFRS 15 "Revenue from contracts with customers", effective from annual periods beginning on or after 1 January 2017. IFRS 15, 'Revenue from contracts with customers' is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally. This amendment is not expected to have a significant effect on the financial position and performance of the Group.

- IFRS 9 "Financial instruments", effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model. This amendment is not expected to have a significant effect on the financial position and performance of the Group.

- Amendments to IAS 16 "Property,plant and equipment", and IAS 41, "Agriculture", regarding bearer plants, effective from annual periods beginning on or after 1 January 2016. These amendments change the financial reporting for bearer plants, such as grape vines, rubber trees and oil palms. It has been decided that bearer plants should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41. This amendment is not expected to have a significant effect on the financial position and performance of the Group.

- Amendment to IAS 19 regarding defined benefit plans, effective from 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. This amendment is not expected to have a significant effect on the financial position and performance of the Group.

- Annual improvements 2014, effective from annual periods beginning on or after 1 January 2016. These set of amendments impacts 4 standards. None of these improvements is expected to have a significant effect on the financial position and performance of the Group.

  • IFRS 5, "Non-current assets held for sale and discontinued operations" regarding methods of disposal.
  • IFRS 7, "Financial instruments: Disclosures", (with consequential amendments to IFRS 1) regarding servicing contracts.
  • IAS 19, "Employee benefits" regarding discount rates.
  • IAS 34, "Interim financial reporting" regarding disclosure of information.

2.3 Compliance with TAS

The Group prepared its consolidated financial statements as of 31 December 2014 in accordance with Communiqué Serial II, No: 14.1 and the related announcements. The consolidated financial statements and notes are presented in accordance with the formats recommended by the CMB including the implementation of mandatory disclosures.

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

2.4 Presentation and functional currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of each consolidated entity are expressed in Turkish Lira ("TRY"), which is the functional currency of the Company and the presentation currency of the consolidated financial statements. The functional currency of the Company's subsidiaries, Altınyıldız İtalya SRL and Alticom GmbH is Euro ("EUR") and Altınyıldız Corporation is United States Dollars ("USD"). In the consolidated financial statements, the balance sheet accounts of foreign subsidiaries whose functional currency are EUR and USD are translated into TRY which the Group's presentation and functional currency by using exchange rates as at the balance sheet date; the accounts of the statement of comprehensive income are translated into TRY by using the average exchange rate calculated for the year. The foreign currency exchange differences calculated related to the usage of closing and average exchange rates are recognized under currency translation differences classified under equity.

The foreign currency exchange rates used for the purpose of translation of foreign operations included in the consolidation are as follows:

	31 December 2014		31 December 2013	
Currency	**Period End**	**Period Average**	**Period End**	**Period End**
USD	2,3189	2,1609	2,1343	1,9017
EUR	2,8207	2,9364	2,9365	2,5297

2.5 Comparatives and restatement of prior periods' financial statements

The 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. As of 31 December 2014, there is not any significant reclassification applied in the comparative financial statements.

The 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 intangibles assets has been recognized retrospectively together with their effects on goodwill, non-controlling interests and deferred tax liabilities in the consolidated financial statements (Note 3).

2.6. Summary of significant accounting policies

Principles of consolidation

The consolidated financial statements include the parent company, Boyner Perakende, and its subsidiaries; BBM, Beymen, AY Marka, AYTK, BYN, Alticom, Altınyıldız Corporation for the period ended at 31 December 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. The financial results of the subsidiaries are fully consolidated from the the date on which control is transferred to the Group or deconsolidated from the date that control ceases.

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

2.6 Principles of consolidation (Continued)

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.

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 31 December 2014 and 2013:

Subsidiary	Country of registration	Nature of business	31 December 2014 Effective ownership (%)	31 December 2013 Effective ownership (%)
AY Marka	Turkey	Retail operations	100,00	99,99
BBM [1]	Turkey	Retail operations	96,58	96,55
Beymen	Turkey	Retail operations	100,00	100,00
AYTK	Turkey	Sale and marketing of textile products and real estate development	100,00	99,99
BYN	Turkey	Real estate development	100,00	99,99
Alticom [2]	Germany	Sale and marketing of textile products	100,00	100,00
Altınyıldız Corporation	USA	Sale and marketing of textile products	100,00	100,00
A&Y LLC	Dubai	Sale and marketing of textile products	100,00	99,99
Altınyıldız Italia SRL [3]	Italy	Sale and marketing of textile products	-	100,00
Vista Sağlık Hizmetleri Ticaret Danışmanlık A.Ş. [4]	Turkey	Health Services	100,00	99,99

(1) As of 31 December 2014, ownership interest of the Group in BBM has increased from 96,55% to 96,58%.
(2) The liquidation process of Alticom has started in 2014 and the process contiunes as of 31 December 2014.
(3) 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.
(4) The liquidation process of Vista Sağlık Hizmetleri Ticaret Danışmanlık A.Ş. started in 2014 and the process contiunes as of 31 December 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.

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

2.6. Summary of significant accounting policies (Continued)

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.

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 exceed 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 invesments are initially recgonized 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 invesments 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.

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

2.6. Summary of significant accounting policies (Continued)

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

Subsidiary	Country of registration	Nature of business	31 December 2014 Effective ownership (%)	31 December 2013 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	30,00	30,00

Offsetting

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

Accounting estimates

The preparation of financial statements in accordance with the TAS require the Group management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. Those estimates are reviewed periodically, and as adjustments become necessary, they are recognized in the income statement when they are realized.

Significant estimates used in the preparation of these financial statements and the significant judgments with the most significant effect on amounts recognized in the financial statements are mainly related with deferred tax assets, provisions, provision for impairment on special costs, impairment test of intangible assets and goodwill, provision for impairment on inventories and the fair value of investment properties (Note 2.7).

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities.

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

2.6. Summary of significant accounting policies (Continued)

Sales of goods - wholesale

The Group manufactures and sells a range of textile and ready wear products in the wholesale market. Sales of goods are recognized when the Group has delivered products to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the group has objective evidence that all criteria for acceptance have been satisfied. Accumulated experience is used to estimate and provide for the discounts and returns.

When it is collected cash or cash equivalents in return to sales, revenue amount recognized is equal to the amount of cash and cash equivalents. However, the wholesale transactions of the Group effectively constitute a financing transaction; the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognized in the period on an accrual basis as financial income.

Sale of goods - retail

The Group operates retail stores for selling textile and read wear products. Sales of goods are recognized when the Group sells a product to the customer. Retail sales are usually in cash or by credit card. It is the Group's policy to sell its products to the retail customer with a right to return within a particular time. Accumulated experience is used to estimate and provide for such returns at the time of sale.

Rent income obtained from investment properties

Rent income from investment properties is recognized on an accrual basis. Revenue is realized when economic benefits arising from the transaction have passed, and when the amount of such income can be reliably measured. Rent discounts and similar promotions granted to existing tenants from time to time are netted off from rent revenues as they are not rent incentives for acquisition of new contracts.

Gain on sales of stores and residences recognized as inventory

The Group has signed a revenue sharing agreement with Fer Gayrimenkul Geliştirme ve İnşaat A.Ş. ("Fer Yapı") on 29 September 2010 for the project related to the construction of office, residence and commercial building on the land of the Group. The land is classified to the inventories based on its fair value on 30 September 2011 due to this revenue sharing agreement. In accordance with the protocole signed with Fer Yapı on 26 December 2014, revenue sharing is finished, land classified as inventory is derecognized and store and residences are recognized as inventory on 31 December 2014. Those inventories are carried at their costs until they are sold. Revenue is recognized when the risk and benefit of these inventories are transfered to the buyer (from the Group to the customers) and the revenue amount is reliably measured.

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

2.6. Summary of significant accounting policies (Continued)

Other income

Other income of the Group recognized according to following terms:

- Rent and copyrights income - according to substance over form about the agreements, on accruals basis,
- Interest income - accrued using the effective interest method which brings the remaining principal amount and expected future cash flows
- Dividend income - recorded as income of the collection right transfer date

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, credit card receivables, deposits held at call with banks and other short-term liquid investments with original maturities of 3 months or less.

Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables net off deferred finance income, are calculated using the effective interest method based on the collection amount in the subsequent period instead on the amount at the invoice date. Short term trade receivables with no determined interest rate are measured at the original invoice amount if the effect of interest accrual is not significant. Management estimates provision for doubtful receivables when the collection of the trade receivable is not probable. If some portion or total of doubtful receivables which the management provided provision for, are collected in the subsequent period, the collection amount is recognized as other income and provision provided for these receivables is released.

Inventories

Inventories are stated at the lower of cost or net realizable value. The cost of inventories comprises all purchase costs and the overheads that have been incurred in bringing the inventories to their present location and condition. The cost is determined using the monthly weighted average method for all inventories; the cost of semi-finished goods and finished goods takes portion from production cost. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. The cost of inventories excludes borrowing costs.

Investment properties

In accordance with TAS 40 "Investment properties"; land and buildings those are held for rent income generation or value appreciation or both, rather than for using in the production of goods or the sale in the ordinary course of business are classified as "Investment property" and carried at fair value in the consolidated financial statements. The gain or loss related to the change in the fair value determined for the first time and the cost of investment properties is recognized in equity, gain or loss determined in the subsequent periods is recognized in the consolidated financial statements.

The investment properties are derecognized if it is not expected to achieve any economic benefit by the sale or the use in the subsequent periods. The gain and loss occurred related to the disposal of investment properties is recognized in the income statements when they occur.

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

2.6. Summary of significant accounting policies (Continued)

Property, plant and equipment

All property and equipment is initially recorded at cost and recorded at cost less accumulated depreciation and accumulated impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the related accounts and any gain or loss resulting from their disposal is included in the statement of income.

The initial cost of property and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset ready for use. Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance, are normally charged to income in the year the costs are incurred. If the asset recognition criteria are met, the expenditures are capitalized as an additional cost of property and equipment.

Assets to be used for administrative purposes, or used in the production of goods and services and are in the course of construction are carried at cost, less any recognized impairment loss. Legal fees are included in the cost. For assets that need considerable time to be ready for sale or use, borrowing costs are capitalized in accordance with the Group's accounting policy. As it is for the other fixed assets, such assets are depreciated when the assets are ready for their intended use.

Except for the land and construction in progress, depreciation is computed on a straight-line basis over the estimated useful lives. The depreciation terms are as follows:

	Useful Life (Year)
Machinery	5-15
Equipment and installations	3-20
Motor vehicles	4-5
Furniture and fixtures	3-16
Leasehold improvements	3-15

Expected useful life, residual value and amortization method are evaluated every year for the probable effects of changes arising in the expectations and are accounted for prospectively.

Properties and equipments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Fair value less cost to sell is the amount obtainable from the sale of an asset less the costs of disposal.

Gains or losses on disposals or suspension of property, plant and equipment are determined by sale revenue less net book value and collected amount and included in the related other income or other expense accounts, as appropriate.

Gain on revaluation and re-measurement fund classified under equity is transferred to retained earnings when the assets carried at fair value are sold.

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

2.6. Summary of significant accounting policies (Continued)

Intangible assets

Intangible assets acquired

Intangible assets acquired separately are carried at cost, less accumulated amortization and any accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. Estimated useful life and amortization method are reviewed at the end of each year and the effect of any change in the estimate is accounted for prospectively. The costs of intangible assets includes their purchase cost and they are amortized based on their economic lives (5-15 years).

Trademarks

Separately acquired trademarks are shown at historical cost; trademarks acquired in a business combination are recognized at fair value at the acquisition date in the consolidated financial statements.

The Group has assessed the useful lives of trademarks as indefinite due to the fact that there is no foreseeable limit to the period over which trademarks are expected to generate net cash inflows for the Group. Trademarks that have an indefinite useful life are not subject to amortization. Trademarks are tested for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If there is an indicator initial recognition value in an asset is greater than estimated net realizable value, the value of asset should be recorded at recoverable value.

Customer and franchise network

Customer and franchise network acquired in a business combination are recognized at fair value in the consolidated financial statements at the acquisition date. They are amortized over their estimated useful lives of 10-20 years.

Favorable lease contracts

Favorable lease contracts acquired in a business combination are recognized at fair value in the consolidated financial statements at the acquisition date. They are amortized over their estimated useful lives of 10-15 years.

Business combinations and goodwill

A business combination is the bringing together of separate entities or businesses into one reporting entity. Business combinations are accounted for using the purchase method in accordance with TFRS 3 (Note 3).

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

2.6. Summary of significant accounting policies (Continued)

The cost of a business combination is the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquired business and in addition, any costs directly attributable to the business combination. The cost of the business combination at the date of the acquisition is adjusted if a business combination contract includes clauses that enable adjustments to the cost of business combination depending on events after acquisition date, and the adjustment is measurable more probable than not. Costs of the acquisition are recognized in the related period. Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquire. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash Generating Units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognized immediately as an expense and is not subsequently reversed.

Legal mergers arising between companies controlled by the Group are not considered within the scope of TFRS 3. Consequently, no goodwill is recognized in these transactions. Similarly, the effects of all transactions between the legally merged enterprises, whether occurring before or after the legal merger, are corrected in the preparation of the consolidated financial statements.

Impairment of non-financial assets

The carrying values of assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Value in use is the present value of estimated future cash flows expected to arise from the use of an asset and from its disposal at the end of its useful life while the net selling price is the amount that will be collected from the sale of the asset less costs of disposal. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash flows from other assets or group of assets.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or has decreased. The reversal is recorded in the statement of income.

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

2.6. Summary of significant accounting policies (Continued)

Financial investments

Classification

The Group classifies its financial assets in the following categories: loans and receivables, available-for-sale financial assets and held to maturity financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of reporting period. Those with maturities greater than 12 months are classified as non-current assets. The receivables are classified as "trade and other receivables" in the consolidated balance sheets.

Available for sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose it within 12 months of the end of reporting period.*Held to maturity financial assets*

Held to maturity financial assets are debt securities with fixed maturities, where management has both the intent and the ability to hold to the maturity, excluding the financial assets classified as originated loans and advances to customers. Held-to-maturity financial assets are carried at amortized cost using the effective interest method.

Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade date - the date on which the group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value.

Loans and receivables are carried at amortized cost using the effective interest method. Changes in the fair value of monetary securities denominated in a foreign currency and classified as available for sale are analyzed for translation differences resulting from changes in amortized cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognized in the income statement; translation differences on non-monetary securities are recognized in equity. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognized in equity. Held-for-trading derivative financial instruments are initially recognized in the consolidated financial statements at cost and are subsequently measured at their fair value. Changes in the fair values of held-for-trading derivative financial instruments are included in the consolidated statements of income. Dividends on available-for sale equity instruments are recognized in the statement of income as part of financial income when the Group's right to receive payments is established.

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

2.6. Summary of significant accounting policies (Continued)

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models.

If the market for a financial asset is not active and the fair value of the financial asset cannot be measured reliably, aforementioned financial assets are accounted for cost less impairment in the consolidated financial statements.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss is removed from equity and recognized in the statement of income. Impairment losses recognized in the statement of income on equity instruments are not reversed through the statement of income.

Unrealized gains and losses arising from changes in the fair value of securities classified as available-for-sale are accounted in equity net of tax under "financial assets fair value reserve". When available-for-sale securities are sold, collected or otherwise disposed of, related deferred gains and losses in equity are transferred to the consolidated income statement. If the difference between the cost and the fair value of the available-for-sale securities is permanent, gains and losses are transferred to the consolidated income statement.

Derivative financial instruments

The Group enters swap contracts in order to hedge foreign exchange risk occured due to the fluctiations in foreign exhange rates. The derivative financial instruments are initially recognized at fair value and are subsequently re-measured at fair value. Transaction costs are recognized in the income statement on date a derivative contract is entered into.

The changes in fair value of the derivative instruments are recognized in consolidated income statement. As of 31 December 2014, the Group did not applied hedge accounting (Note 8).

Trade payables

Trade payables are initially recorded at fair value and subsequently measured at amortised cost using the effective interest method. The carried trade payables are the fair value of consideration to be paid in the future for goods and services received, whether billed or not billed.

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

2.6. Summary of significant accounting policies (Continued)

Borrowing costs

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between proceeds (net of transaction costs) and the redemption value is recognized in the statement of income over the period of the borrowings using the effective interest method.

In case of foreign exchange income is included in the financing activities; the related income is deducted from the total of capitalized financial expenses.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale. All other borrowing costs are recognized in the profit or loss in the period in which they are incurred.

Foreign exchange differences relating to borrowings, to the extent that they are regarded as an adjustment to interest costs, are also capitalized. The gains and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the entity borrowed funds in its functional currency, and borrowing costs actually incurred on foreign currency borrowings.

Foreign currency transactions

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of each consolidated entity are expressed in Turkish Lira ("TRY"), which is the functional currency of the Company and the presentation currency of the consolidated financial statements.

During the preparation of the financial statements of the individual entities, transactions in foreign currencies other than TRY (foreign currencies or currencies other than functional currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

For the purpose of presentation of the consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in TRY using exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the translation differences. Such exchange differences are recognized in profit or loss in the period in which the foreign operation is disposed of.

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

2.6. Summary of significant accounting policies (Continued)

Lease transactions

Financial leases

Financial leases - The Group as the lessee

Leasing of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leasing. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Financial costs of leasing are distributed over the lease period with a fixed interest rate. The property, plant and equipment acquired under financial leases are depreciated over the useful lives of the assets. If there is a decrease in the value of the property, plant and equipment under financial leasing, the Group provides impairment. The foreign exchange and interest expenses related with financial leasing have been recorded in the income statement. Lease payments have been deducted from leasing debts.

Operating leases - The Group as the lessee

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line basis over the period of the lease.

Earnings per share

Earnings per share are calculated by dividing net income to the weighted average number of shares that have been issued during the period. In the case that the capital increase is realized from the internal resources during the period, final number of shares at the end of the period is accepted as the same with the number of shares at the beginning of the period.

In Turkey, companies are allowed to increase their share capital by distributing "bonus shares" to shareholders from retained earnings and adjustments to share capital. Earnings per share are calculated by taking those bonus shares into consideration as issued shares. Accordingly, the weigthed average of the number of shares is calculated by taking those bonus shares into consideration retrospectively in the calculation of earnings per share.

Provisions, contingent assets and liabilities

Provisions are recognized when the Group has a present obligation as a result of a past events, and it is probable that an outflow or resources will be required to settle the obligation, and the amount has been reliably estimated.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date considering the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is significant, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

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

2.6. Summary of significant accounting policies (Continued)

Related parties

For the purpose of these consolidated financial statements, shareholders, key management personnel (general managers, head of group, vice general managers, vice head of group) and Board members, in each case together with the companies controlled by/or affiliated with them, associated companies and other companies within the Group are considered and referred to as "related parties".

Advertisement and promotion expenses

Advertisement campaigns including advertisement, catalogue and promotion expenses for new products are recorded as expense once they are reachable by the Company.

Taxes

Current and deferred tax

Income tax is the aggregate amount included in the determination of net profit or loss for the period in respect of current and deferred tax. Tax is recognized in the statement of income, except for the items recognized directly in equity. In such case, the tax is recognized in shareholders' equity together with related transaction.

The current period tax on income is calculated for the Group's subsidiaries, associates and joint ventures considering the tax laws that are applicable in the countries where they operate.

Deferred tax liability or asset is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which are used in the computation of taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates and tax regulations that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

The main temporary differences are from the time differences between carrying amount of tangible assets and their tax base amounts, the e expense accruals that are subject to tax and tax allowances that are not utilized.

Deferred tax assets are recognized for all deductible temporary differences, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and unused tax losses can be utilized.

When the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority and there is a legally enforceable right to set off current tax assets against current tax liabilities, deferred tax assets and deferred tax liabilities are offset accordingly.

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

2.6. Summary of significant accounting policies (Continued)

Provision for employee benefits

Employment termination benefits, as required by the Turkish Labor Law and the laws applicable in the countries where the subsidiaries operate, represent the estimated present value of the total reserve of the future probable obligation of the Group arising in case of the retirement of the employees. According to Turkish Labor Law and other laws applicable in Turkey, the Group is obliged to pay employment termination benefit to all personnel in cases of termination of employment without due cause, call for military service, retirement or death upon the completion of a minimum one year service. The provision which is allocated by using the defined benefit pension's current value is calculated by using the estimated liability method. Current service costs and interest costs are recognized in the consolidated statement of income and all actuarial profits and losses are recognized in the consolidated statements of income.

Unused vacation rights

Unused vacation rights accrued in the consolidated financial statements represents estimated total provision for potential liabilities related to employees' unused vacation days as of the balance sheet date.

Customer loyalty programmes

The Group operates a loyalty programme where customers accumulate points for purchases made which entitle them to discounts on future purchases. The reward points are recognized as a separately identifiable component of the initial sale transaction, by allocating the fair value of the consideration received between the award points and the other components of the sale such that the reward points are initially recognized as deferred revenue at their fair value. Revenue from the reward points is recognized when the points are redeemed. Breakage is recognized as reward points are redeemed based upon expected redemption rates.

Gift vouchers

Gift vouchers sold by the Group to its customers are classified under deferred revenue. Moreover, gift vouchers are recorded as income as they are used by the customers. The Group also accounts for income for the estimated amount of gift vouchers that are not expected to be used by the customers.

Statement of cash flows

The Group prepares statements of cash flows as an integral part of its of financial statements to enable financial statement analysis about the change in its net assets, financial structure and the ability to direct cash flow amounts and timing according to evolving conditions. Cash flows include those from operating activities, working capital, investing activities and financing activities.

Cash flows from operating activities represent the cash flows generated from the Group's activities.

Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (fixed investments and financial investments).

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

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

2.6. Summary of significant accounting policies (Continued)

Subsequent events

Post period-end events that provide additional information about the Group's position at the balance sheet date (adjusting events), are reflected in the consolidated financial statements. Post period-end events that are not adjusting events are disclosed in the notes when material.

Segment reporting

The Group has three business segments determined by the management based on information available for the evaluation of performances and the allocation of resources. These segments of the Group are textile and ready-to-wear clothing, retail operations, real estate development and management. These segments are managed separately since they are affected by different economic conditions in terms of risks and returns. The Group Management assesses the performance of operating segments by the "Earnings Before Interest Tax Depreciation and Amortization" ("EBITDA") figure generated by adjusting the EBITDA calculated based on the financial statements prepared in accordance with TAS with necessary adjustments and reclassifications. Those adjustments and reclassifications are the omission of non-recurring income/ expense, adding back the net effect of the time difference and foreign exchange gains and losses generated from commercial operations in accordance with TAS and adding non-recurring expenses determined by the Group Management (Note 4).

Operating segments are reported in a manner consistent with the reports provided to the chief operating decision-maker of the Group. The chief operating decision-maker of the Group is responsible for allocating resources and assessing performance of the operating segments.

2.7 Significant accounting estimations

The preparation of consolidated financial statements requires estimates and assumptions to be made regarding the amounts for the assets and liabilities at the balance sheet date, and explanations for the contingent assets and liabilities as well as the amounts of income and expenses realized in the reporting period. The Group makes estimates and assumptions concerning the future. The accounting estimates and assumptions, by definition, may not be equal to the related actual results. The estimates and assumptions that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below:

i) Impairment tests for the intangible assets with indefinite useful lives

As explained in Note 2.6, intangible assets that have an indefinite useful life are not subject to amortization. They are tested annually for impairment. For the purpose of assessing impairment, the discounted cash flows calculated based on the Group's revenue projections for ten years are compared to the carrying value of the intangible asset. The Group has performed an impairment test on intangible assets as at 31 December 2014 and has not identified any impairment as a result of this test (Note 16).

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

2.7 Significant accounting estimations (Continued)

ii) Impairment tests for goodwill

In accordance with the accounting policies explained in Note 2.6, the Group performs impairment test on goodwill to assess whether an impairment exists. Recoverable amount of cash generating units are calculated based on value in use. These calculations require estimations. For the purpose of assessing impairment, the discounted cash flows calculated based on the Group's revenue projections for five years are compared to the carrying value of goodwill.

The Group has calculated the discounted cash flows based on the revenue plans for five years with 4,5% growth projection and a discount rate of 14,70% for the purpose of impairment test of goodwill arising from the acquisition of BBM. If the estimated pre-tax discount rate used for the calculation of discounted cash flows had been 1% higher/lower than the management's estimate (instead of 14,70%, 15,70% or 13,70%), the fair value as at 31 December 2014 would decrease by TRY 185 million and increase by TRY 226 million.

The Group has calculated the discounted cash flows based on the revenue plans for five years with 4,5% growth projection and a discount rate of 13,60% for the purpose of impairment test of goodwill arising from the acquisition of Beymen. If the estimated pre-tax discount rate used for the calculation of discounted cash flows had been 1% higher/lower than the management's estimate (instead of 13,60%, 14,60% or 12,60%), the fair value as at 31 December 2014 would decrease by TRY 170 million and increase by TRY 212 million.

As a result of the impairment tests for goodwill performed based on the assumptions explained above, the Group did not identify any impairment as of 31 December 2014.

iii) Provision for net realizable value of inventories

As explained in Note 2.6, inventories are valued at the lower of cost or net realizable value less costs to sell. The Group reviews their inventories annually whether any impairment exists. The selling prices of inventories in the subsequent period are estimated by the management considering the cost of inventories. The management determines the estimated selling price considering current market conditions and fluctuations in current prices.

In a case of unexpected changes in market conditions, impairment estimations are subject to change as they are calculated based on the estimation and assumptions of the Group (Note 12).

iv) Fair value of investment properties

The assumptions of the independent valuation reports obtained for the purpose of determining the fair value of tangible assets classified as investment properties in the consolidated financial statements are as follows:

Independent valuation reports of experts licenced by CMB are used for the determination of fair values of the land in Antalya and the shop in Unkapanu which were carried at cost in the prior periods.

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

2.7 Significant accounting estimations (Continued)

The assumptions of the independent valuation reports obtained for the purpose of determining the fair value of tangible assets classified as investment properties in the consolidated financial statements are as follows based on valuation method, annual rent increase, capitalization ratio (discount rate used for the final value) and comparision of square meters:

31 December 2014	Expert report datemethod	Valuation rate	Discount rate	Annual rent increase ratio	Capitalization m² value	Comparison of
Starcity Shopping mall [a]	31.12.2014	Discounted revenue	10%	2%	-	-
Antalya Land [b]	05.08.2013	Comparison	-	-	-	200
Unkapanı Shop [c]	06.08.2013	Comparison	-	-	-	1.400

a) Starcity Shopping Mall ("Starcity") located in İstanbul - Bahçelievler, has come into operation on 15 April 2010 with a floor space of 34.119,06 m² and is classified as investment properties as of 31 December 2014. BYN and Merkür İnşaat Ticaret A.Ş. are the owners of the Starcity with the portions of 2/5 and 3/5 respectively. The management of the Mall is conducted by Merkür İnşaat Ticaret A.Ş..

Starcity mall accounted at fair value amounting to TRY 127.040.000 as of 31 December 2014 which is the 2/5 of its total fair value of TRY 317.600.000 determined by the valuation report prepared by Elit Gayrimenkul Değerleme A.Ş. on 9 January 2015 (31 December 2013: 120.240.000 which is the 2/5 of its total fair value of TRY 300.600.000).

b) Land located in Antalya, Kepez with a floor space of 4.647 m^2 is classified as investment property as of 31 December 2014, and is accounted at its fair value of TRY 935.000 determined by an independent expert's valuation report dated 5 August 2013 and numbered 2013/5900.

c) Shop located in İstanbul, Fatih with a floor space of 125 m^2 is classified is investment property as of 31 December 2014, and is accounted at its fair value of TRY 175.000 determined by the valuation report of Elit Gayrimenkul Değerleme A.Ş. dated 6 August 2013 and numbered 2013/5901.

The fair value of İstwest is calculated by the Company based on the price of equivalent stores sold in 2014 and classified as investment properties as of 31 December 2014 with the fair value amounting to TRY 10,736,740.

v) Provision for doubtful receivables

When there is an indicator that the collection of receivables will be impossible, provision is provided for the receivables. The amount of the provision is determined based on the assessment of the Group based on the aging of receivables and the payment performance of the customers. The provision for doubtful receivables is an accounting estimate determined based based on the past payment performance and financial situations of the customers (Note 10).

vi) Value of intangible assets acquired through the business combination

The fair values of trademarks have been determined by refining from royalty method. This method is based on the discounted cash flows of futures operation of the brand, and the royalty is compared with the royalties set a precedent in the market. While using this method for the valuation, the amount of royalty payments to own the brand is projected and the saving amount by possessing the brand is calculated. Significant assumptions are; a) projected revenues for the future operations, b) determination of the discount rate used for the discounted cash flows and c) determination of royalty rate. The weighted average cost of capital has been used as the discount rate.

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

2.7 Significant accounting estimations (Continued)

The fair values of favorable lease contracts are determined by comparing the monthly rental fees defined in the rent agreements with the rental fees in the market and by discounting favorable rental fees to the present value. The weighted average cost of capital has been used as the discount rate. The rental fees of the market are determined by an independent valuation company.

The fair values of franchise agreements and customer network are determined based on the revenue projections from the customers registered in the customer loyalty programme of the Group. The weighted average cost of capital has been used as the discount rate (Note 16).

NOTE 3 - BUSINESS COMBINATIONS

The Group applies the acquisition method for business combinations. The subsidiaries acquired or sold during the year are fully consolidated from the the date on which control is transferred to the Group or deconsolidated from the date that control ceases.

a) Acquisition of BBM and Beymen

The interests of Boyner Perakende in its associates accounted for using the equity method was 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 of Beymen (50.01%) and BBM (30,05%) and the share purchase agreement is signed with Fennella at the same date.

As a result of these transactions, the change in the control has been regarded as a step acquisition in business combinations in accordance with "TFRS 3 - Business Combinations". Within this framework, Beymen and BBM which had been accounted for using the equity method until 31 May 2013, are fully consolidated starting from 1 June 2013 and the 3,5% shares of other shareholders arising from the publicly traded shares of BBM have been accounted for as non-controlling interest. Accordingly, the acquirer's previously held interest is remeasured to fair value at the acquisition date and gain or loss is recognized in the income statement in step acquisitions.

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 installments 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.

NOTE 3 - BUSINESS COMBINATIONS (Continued)

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.

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 previously held interest of Boyner Perakende 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. The information such as growth rates of the sector in which the 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 26).

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 ve 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 30 September 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.

NOTE 3 - BUSINESS COMBINATIONS (Continued)

The 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
Financial investments in associates	-	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 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)
Payables related to employee benefits	-	(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	-	(11.936.805)	(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 initially held shares (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)
Purchased cash and cash equivalents (F)	141.284.478	32.338.563	173.623.041
Total net cash paid (C+D+E+F)	**(255.726.409)**	**(461.718.577)**	**(717.444.986)**
Goodwill recognized through acquisition (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 sellera 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.

NOTE 3 - BUSINESS COMBINATIONS (Continued)

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

The fair value exercise of Boyner, Beymen Club and Beymen Business brands which was on going as of 31 December 2013, have been finalised as of 31 May 2014 and have been restated retrospectively in the condensed interim financial statements. The impact of these adjustments is as follows:

	2014
Goodwill - previously reported	**942.584.717**
Impact of fair value exercise of brands	(189.610.674)
Tax effect	37.922.134
Non-controlling interests	5.233.255
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 ongoing as of 30 June 2013, has been finalized as of 31 December 2013 and accounted in the consolidated financial statements as of 31 December 2013 starting 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:

	31 Aralık 2013
Non-controlling interests arising on business combinations – previously reported	24.909.418
Non-controlling interests recognized related to the assets whose fair value exercise completed	5.233.255
Non-controlling interests arising on business combinations – final	**30.142.673**

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 (Note 25).

NOTE 3 - BUSINESS COMBINATIONS (Continued)

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, whose 99,98% of its shares owned by Boyner Holding, has been transferred with all net assets through merger to AYTK. This merger was registered on commercial gazette on 29 August 2013. As a result, 25% of merged AYTK shares is transferred to the Boyner Holding. On 29 November 2013, 25% of shares of AYTK acquired from in Boyner Holding and other shareholders who have less than 1% shares in exchange of consideration amounting to TRY 20,097,783. As a result of this transaction, negative merger fund amounting to TRY 12.105.679 (Note 21) 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 21)	**7.478.755**	**7.478.755**

	2013
Value of AYTK non-controlling interest (A)	7.992.104
Payables related to acquisition (B)	(20.097.783)
Impact of business combinations under common control (A+B) (Note 21)	**(12.105.679)**

NOTE 4 - SEGMENT REPORTING

The business operations of the Group are organized and managed with respect to the range of products and services provided by the Group. The information regarding the business activities of the Group as of 31 December 2014 and 2013 comprise the performance and the management of textile and ready-to-wear products, retail store operations and real estate development and management operations.

The Group Management assesses the performance of operating segments by the "Earnings Before Interest Tax Depreciation and Amortization" ("EBITDA") figure generated by adjusting the EBITDA calculated based on the financial statements prepared in accordance with TAS with necessary adjustments and reclassifications. Those adjustments and reclassifications are the omission of non-recurring income/ expense, adding back the net effect of the time difference and foreign exchange gains and losses generated from commercial operations in accordance with TAS and adding non-recurring expenses determined by the Group Management. EBITDA calculated based on this approach is defined as "Adjusted EBITDA".

The segment analysis for the period ended 31 December 2014 is as follows:

1 January-31 December 2014	Retail operations	Textile and ready wear clothes	Real estate development and management	Undistributed	Elimination	Total
Revenue	2.913.021.431	283.405.910	125.295.078	21.142.499	(182.451.228)	3.160.413.690
Gross profit/(loss)	1.195.828.543	24.778.188	31.666.528	17.616.611	(17.815.305)	1.252.074.565
Capital Expenditures (based on balance sheet)	67.418.8512.149.255	-	902.935	-	70.471.041	
Depreciation and amortization expenses	64.826.083	9.338.928	-	36.036.786	-	110.201.797

1 January-31 December 2014	Retail operations	Textile and ready wear clothes	Real estate development and management	Undistributed	Elimination	Total
Assets and liabilities						
Segment assets	2.347.083.471	389.748.785	200.118.872	1.813.248.021	(687.349.556)	4.062.849.593
Total assets	**2.347.083.471**	**389.748.785**	**200.118.872**	**1.813.248.021**	**(687.349.556)**	**4.062.849.593**
Segment liabilities	2.111.552.410	452.077.164	103.212.535	1.872.203.587	(610.025.703)	3.929.019.993
Total liabilities	**2.111.552.410**	**452.077.164**	**103.212.535**	**1.872.203.587**	**(610.025.703)**	**3.929.019.993**

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

The segment analysis for the period ended 31 December 2013 is as follows:

1 January-31 December 2013	Retail Operations	Textile and Ready Wear Clothes	Real Estate Development and Management	Undistributed and Elimination	Total
Revenue	1.614.022.608	222.619.749	172.220.946	(107.266.887)	1.901.596.416
Gross profit/ (loss)	682.019.761	12.867.045	35.493.249	(3.806.364)	726.573.691
Capital Expenditures (based on balance sheet)	70.636.581	5.916.970	-	-	76.553.551
Depreciation and Amortization expenses	55.944.106	8.827.865	-	-	64.771.971

1 January-31 December 2013	Retail Operations	Textile and Ready Wear Clothes	Real Estate Development and Management	Undistributed and Elimination	Total
Assets and liabilities					
Segment assets	1.944.575.677	1.525.814.038	381.640.931	51.003.942	3.903.034.588
Total assets	**1.944.575.677**	**1.525.814.038**	**381.640.931**	**51.003.942**	**3.903.034.588**
Segment liabilities	1.790.338.036	1.715.456.498	330.822.390	(295.082.129)	3.541.534.795
Total liabilities	**1.790.338.036**	**1.715.456.498**	**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.

NOT 4 - SEGMENT REPORTING (Continued)

The reconciliation of EBITDA as of 31 December 2014 and 2013 is as follows:

	1 January - 31 December 2014	1 January - 31 December 2013	
	CMB financial statements	**CMB financial statements**	**Group management's financial statement (*)**
Revenue	3.160.413.690	1.901.596.416	2.623.816.590
Gross profit	1.252.074.565	726.573.691	1.013.273.393
EBITDA	250.127.477	780.095.753	831.476.266
Adjustments:			
Reclassification in accordance with the format recommended by CMB	14.944.205	19.184.004	21.271.481
Foreign currency gains	*(71.094.341)*	*(53.313.471)*	*(58.089.290)*
Unearned financial income from trade receivable and payable	*(41.697.802)*	*(22.206.304)*	*(31.454.753)*
Term difference income	*(25.374.673)*	*(12.475.726)*	*(16.653.631)*
Foreign currency losses	*72.667.723*	*68.165.910*	*73.100.380*
Term difference expenses	*43.632.000*	*22.860.682*	*28.885.924*
Unearned financial expense from trade receivable and payable	*36.811.298*	*16.152.913*	*25.482.851*
Non-recurring (income)/expenses per Group Management (**)	**34.944.827**	**(611.451.464)**	**(618.058.868)**
Fair value gains of the previously held interest in the acquiree (Note 26)	-	*(625.612.315)*	*(632.219.719)*
Acquisition of subsidiaries conditional payment amount change (Note 25)	-	*(12.446.229)*	*(12.446.229)*
Collection from doubtful receivables (Obtained through BBA merge)	-	*(4.049.043)*	*(4.049.043)*
Acquisition related expenses	-	*10.001.000*	*10.001.000*
Consultancy expenses	-	*3.518.000*	*3.518.000*
Other non-recurring operational expenses	*34.944.827*	*17.137.123*	*17.137.123*
Adjusted EBITDA (**)	**300.016.509**	**187.828.293**	**234.688.879**

(*) 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 comprises incomes/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.

NOTE 5 - CASH AND CASH EQUIVALENTS

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

	31 December 2014	31 December 2013
Cash	4.612.903	3.693.992
Banks	42.886.761	43.866.746
- Time deposits (*)	14.251.975	18.291.920
- Demand deposits (**)	28.634.786	25.574.826
Credit card receivables (***)	263.860.433	239.721.246
Cheques	5.719.051	2.274.891
	317.079.148	**289.556.875**

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

(**) The Group has restricted cash amounting to TRY 6.130.205 as of 31 December 2014 (31 December 2013: TRY 5.119.014).

(***) As of 31 December 2014, the pledge on the credit card receivables of the Group is amounting to TRY 44.285.714 (31 December 2013: TRY 17.449.282).

Cash and cash equivalents included in the statements of cash flows are as follows:

	31 December 2014	31 December 2013
Cash and cash equivalents	317.079.148	289.556.875
Change in restricted cash	(6.130.205)	(5.119.014)
	310.948.943	**284.437.861**

The total insurance on cash and cash equivalents is amounting to TRY 76.957.896 as of 31 December 2014 (31 December 2013: TRY 77.707.896).

NOTE 6 - FINANCIAL ASSETS AND INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

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

	31 December 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
Beymen Ayrıcalıklı Yapı Geliştirme A.Ş.	-	-	< 1%	2.400
BNR Teknoloji A.Ş.	-	-	< 1%	1.400
Lom Renkli Giyim Ürünleri Pazarlama A.Ş.	-	-	< 1%	343
Total		**104.891**		**121.284**

NOTE 6 - FINANCIAL ASSETS AND INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

The Group has accounted the financial investments which are under the 1% at cost.

	31 December 2014		31 December 2013	
	Effective ownership ratio (%)	**Amount**	**Effective ownership ratio (%)**	**Amount**
Associates				
Accounted for using the equity method				
İzkar	49,60	1.438.979	49,60	1.304.448
Christian Dior	49,00	4.928.296	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	1.822.916	30	1.089.556
Elif Co (**)	50	-	50	-
		13.662.699		**12.141.961**

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

(**) As of 31 December 2014 and 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 31 December 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 4.035.471 (1 January - 31 December 2013: TRY 2.030.435).

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

	2014	2013
Opening balance - 1 January	**12.141.961**	**8.305.029**
Amount recognized in the current year profit (***)	2.115.938	1.545.589
Dividends received	(595.200)	(396.798)
Capital increase	-	2.683.632
Amount recognized under equity	-	2.766
Ratio change	-	1.743
Closing balance - 31 December	**13.662.699**	**12.141.961**

(***) Amount recognized in the current period does not include intra group transactions.

NOTE 7-FINANCIAL LIABILITIES

The details of the short-term financial liabilities as of 31 December 2014 and 2013 are as follows:

	31 December 2014	31 December 2013
Interest free bank borrowings (*)	12.021.757	9.719.740
Short term bank borrowings	376.236.082	378.817.996
Short term bonds issued (**)	50.612.194	139.495.689
	438.870.033	**528.033.425**

(*) Interest free bank borrowings consist of interest free loans which were borrowed for the payments of Social Security Institution as of 31December 2014 and 2013

(**) In accordance with the approval of CMB dated 29 September 2014, the commercial paper with a nominal value of TRY 50.000.000 with a maturity of 364 days, monthly interest, principal payment on the maturity date, benchmark Government Debt Securities+4.15% floating interest rate has been offered to qualified investors.

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

	31 December 2014	31 December 2013
Short-term portion of long-term financial liabilities	364.960.647	353.124.026
Short-term portion of long-term bonds (***)	203.004.385	25.031.199
Financial lease liabilities	8.499.247	12.789.487
	576.464.279	**390.944.712**

The summary of long-term financial liabilities for the period ended 31 December 2014 and 2013 is as follows:

	31 December 2014	31 December 2013
Long-term bank borrowings	368.831.015	137.690.272
Long-term bonds issued (***)	137.375.499	234.077.872
Financial lease liabilities	2.260.479	4.793.832
	508.466.993	**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.

The Group has offered bond amounting to TRY 30,000,000 to qualified investors on 31 March 2014 with a maturity of 546 days. The coupon and principal payment are due at the end of the three month government securities and the indicator is +5.00% floating interest rate.

The Group has offered bond amounting to TRY 50,000,000 to qualified investors on 28 November 2014 with a maturity of 728 days. The coupon and principal payment are due at the end of the three month government securities and index + 4.50% quarterly floating interest rate.

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.

NOTE 7 - FINANCIAL LIABILITIES (Continued)

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

31 December 2014

Currency	Maturity	Interest Rate (%)	Short Term	Long Term
TRY interest free borrowings	2015	-	12.021.757	-
TRY borrowings	2015-2016	11,50-18	542.680.395	81.388.112
USD borrowings	2015-2018	Libor + 4,75-8,3	161.096.416	225.768.352
EUR borrowings	2015-2026	6,60-8	37.419.918	61.674.551
			753.218.486	**368.831.015**

31 December 2013

Currency	Maturity	Interest Rate (%)	Short Term	Long Term
TRY interest free borrowings	2014	-	9.719.740	-
TRY borrwings	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 31 December 2014 and 2013 is as follows:

	31 December 2014	31 December 2013
to be paid in 1 year	1.006.512.458	906.188.650
to be paid in 2015	-	253.781.524
to be paid in 2016	315.260.111	117.293.397
to be paid in 2017 and after	191.269.010	693.223
	1.513.041.579	**1.277.956.794**

In relation to the bank loans elaborated as of 31 December 2014 above, there are mortgages of EUR 32.000.000 and TRY 200.000.000 (31 December 2013: EUR 20.000.000 and TRY 200.000.000) and guarantee notes amounting to TRY 200.000.000 on the stores and residences, and the shopping mall, classified by the Group as investment property at a fair value of TRY 127.040.000 (Note 14). In addition, in relation to the loans of the Group, 10,7% of the shares of Boyner Perakende, 11,3% of the shares of BBM and 100% of the shares of BYN are pledged. The pledge on the shares of Boyner Perakende will be released on 5 June 2015 when the loan of CVCI is paid.

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

	31 December 2014	31 December 2013
Total financial lease payments	11.583.381	18.815.092
Interest will be paid in upcoming years (-)	(823.655)	(1.231.773)
	10.759.726	**17.583.319**
Financial lease liabilities up to 1 year	8.499.247	12.789.487
Financial lease liabilities after 1 year	2.260.479	4.793.832
	10.759.726	**17.583.319**

NOTE 7 - FINANCIAL LIABILITIES (Continued)

As of 31 December 2014 and 2013, the summary of short-term financial lease liabilities in terms of foreign currency is as below:

	31 December 2014	31 December 2013
TRY	7.134.333	8.835.598
USD	1.358.584	3.632.360
EUR	6.330	321.529
	8.499.247	**12.789.487**

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

	31 December 2014	31 December 2013
TRY	2.137.567	3.423.684
USD	121.004	1.363.558
EUR	1.908	6.590
	2.260.479	**4.793.832**

Collateral bills amounting to USD 586.353, Euro 3.098 and TRY 1.516.527 are given regarding to the financial leasing liabilities disclosed above (31 December 2013: USD 617.918, Euro 8.433 and TRY 2.261.142).

NOTE 8 - DERIVATIVE FINANCIAL INSTRUMENTS

The details of derivative instruments are as follows:

	31 December 2014	31 December 2013
Financial assets arising from swap transactions - short term (*)	1.683.738	-
Financial assets arising from swap transactions - long term (*)	3.248.768	-
	4.932.506	-

(*) The Group entered swap contracts in order to hedge foreign exchange risk and interest risk on 21 November 2014 for its financial liability amounting to 97.83 million USD (TRY 226,857,988) and has converted floating interest rate loan to TRY by fixed rate with optional cross -curency swap transactions. As of 31 December 2014, the swap instruments are carried at their fair values in the consolidated financial statements.

NOTE 9 - OTHER FINANCIAL LIABILITIES

Other financial liabilities of the Group are amounting to TRY 109.628.739 as of 31 December 2014 (31 December 2013: TRY 58.629.605). Other financial liabilities of the Group comprise of its receivables which are transferred to factoring companies as of 31 December 2014 and 2013. Group transfers their 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 can not be collected, the receivables subject to factoring transaction were not derecognized and amount provided from factoring companies presented as other financial liabilities in the accompanying the consolidated financial statement.

NOTE 10 - TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables

	31 December 2014	31 December 2013
Trade receivables	207.364.075	219.905.702
Notes receivables (*)	159.583.067	153.398.763
Less: Provision for doubtful receivables	(25.625.598)	(26.703.737)
Less: Unearned financial expense on term sales	(6.589.216)	(6.829.277)
Total trade receivables from third parties	**334.732.328**	**339.771.451**
Trade receivables from related parties	56.992.993	40.269.991
Less: Unearned financial expense on term sales	(1.211.653)	(1.559.197)
Total trade receivables from related parties (Note 31)	**55.781.340**	**38.710.794**
Total short-term trade receivables	**390.513.668**	**378.482.245**

(*) TRY 109.628.739 of the notes receivables was transferred to the factoring institutions (31 December 2013 : TRY 58.629.605). The factoring debts related to this transaction have been classified under other financial liabilities (Note 9).

Long-term trade receivables

	31 December 2014	31 December 2013
Trade receivables from related parties (Note 31)	3.252.007	2.993.125
Trade receivables from third parties	11.582.950	14.545.000
Less: Unearned financial expense on term sales to third parties	(2.994.947)	(4.185.076)
Total long-term trade receivables	**11.840.010**	**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 for domestic sales of ready-to-wear clothes is 145 days (31 December 2013: 155 days), for export of ready to wear products is 51 days (31 December 2013: 30 days), for domestic textile sales is 205 days (31 December 2013: 185 days) and for export sale of textile products is 44 days (31 December 2013: 60 days). The average collection period of trade receivables from retail sales is 103 days (31 December 2013: 116 days).

The movement of provision for the impairment of receivables as of 31 December 2014 and 2013 is as follows:

	2014	2013
Opening balance - 1 January	**26.703.737**	**10.399.538**
Provisions	1.122.412	1.120.944
Receivables acquired through business combination	-	21.907.755
Write-offs in the current period (*)	(10.759)	(1.872.017)
Collection of receivables during the current period (Note 25)	(2.189.792)	(4.852.483)
Closing balance – 31 December	**25.625.598**	**26.703.737**

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

NOTE 10 - TRADE RECEIVABLES AND PAYABLES (Continued)

Trade payables

	31 December 2014	31 December 2013
Trade payables	512.892.473	470.265.709
Notes payables	504.772.111	413.443.016
Less: Unearned financial income on term purchases from third parties	(19.106.163)	(15.018.371)
Total trade payables from third parties	**998.558.421**	**868.690.354**
Trade payables from related parties	11.687.944	50.963.420
Less: Unearned financial income on term purchase from related parties	(385.684)	(616.397)
Total trade payables from related parties (Note 31)	**11.302.260**	**50.347.023**
Total trade payables	**1.009.860.681**	**919.037.377**

The average payment terms of trade payables for domestic textile purchases is 178 days (31December 2013: 148 days), for import textile puchases is 195 days (31 December 2013: 190 days); for domestic ready to wear cloth purchases is 155 days (31 December 2013: 155 days) and for import ready-to-wear cloth puchases is 114 days (31 December 2013: 100 days). The average payment period of trade payables for retail purchases is 163 days (31 December 20123: 154 days).

NOTE 11 - OTHER RECEIVABLES AND PAYABLES

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

	31 December 2014	31 December 2013
Other receivables from customer	1.201.484	6.428.308
Receivables from insurance companies	298.727	386.069
Due from personnel	243.736	143.457
Deposits and guarantees given	202.562	177.858
Other	84.890	7.071
Total other receivables	**2.031.399**	**7.142.763**
Other receivables from related parties (Note 31)	**85.685.494**	**37.428.301**
	87.716.893	**44.571.064**

The details of long term other receivables as of 31 December 2014 and 2013 are as follows:

	31 December 2014	31 December 2013
Deposits and guarantees given to third parties	1.622.518	1.479.303
Total other long-term receivables	**1.622.518**	**1.479.303**

NOTE 11 - OTHER RECEIVABLES AND PAYABLES (Contiuned)

The detail of other short term receivables as of 31 December 2014 and 2013 is as follows:

	31 December 2014	31 December 2013
Short-term liabilities arising from business combinations (*)	774.009.638	63.525.434
Other (**)	31.238.258	24.870.557
Total other payables	**805.247.896**	**88.395.991**
Other payables to related parties (Note 31)	**31.534.946**	**41.349.748**
Total other payables	**836.782.842**	**129.745.739**

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

	31 December 2014	31 December 2013
Long-term liabilities arising from business combinations (*)	-	672.069.129
Deposits and guarantees received	203.527	202.454
Other (**)	45.262.716	60.018.270
Total long term other payables	**45.466.243**	**732.289.853**

(*) The maturity of the liability related to the acquistion held on 31 May 2013 is 5 June 2015. The Group has used the average debt ratio in USD, 6% as the discount rate.

(**) The short term and long term other payables are mainly related with the acquisition of YKM A.Ş. and YKM Pazarlama A.Ş. on 22 October 2013 and amounting to TRY 23.077.764 and TRY 44.722.171 respectively.

NOTE 12 - INVENTORIES

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

	31 December 2014	31 December 2013
Trade goods	672.660.936	598.249.189
Finished goods	83.236.633	53.379.721
Real estates (*)	51.263.261	89.852.283
Raw materials and supplies	46.249.255	41.527.200
Goods in transit	40.485.329	21.406.651
Semi-finished goods	22.142.256	19.037.398
Auxiliary materials	10.010.553	7.056.358
	926.048.223	**830.508.800**
Less: Provision for impairment on inventories	(20.342.583)	(16.227.837)
	905.705.640	**814.280.963**

(*) The Group has signed a revenue sharing agreement with Fer Gayrimenkul Geliştirme ve İnşaat A.Ş. ("Fer Yapı") on 29 September 2010 for the project related to the construction of office, residence and commercial building on the land of the Group. The land is classified to the inventories based on its fair value on 30 September 2011 due to this revenue sharing agreement. In accordance with the protocole signed with Fer Yapı on 26 December 2014, revenue sharing is finished, land classified as inventory is derecognized and 88 store and residences amounting to TRY 62.000.001 are recognized as inventory on 31 December 2014. Since the 10 of the stores classified as inventories amounting to TRY 10.736.740 are for rent as of 31 December 2014, they are transferred to investment properties (Note 14). Revenue is recognized when the risk and benefit of the stores and residences are transfered to the buyer.

NOTE 12 – INVENTORIES (Continued)

The total insurance coverage on tangible assets is amounting as TRY 1.375.510.471 as at 31 December 2014 (31 December 2013: TRY 965.713.086).

The movement of the impairment on inventories during the period is as follows:

	2014	2013
Opening balance - 1 January	**16.227.837**	**1.341.538**
Provision provided during the period	4.114.746	3.206.706
Inventories acquired through business combination	-	11.679.593
Closing balance - 31 December	**20.342.583**	**16.227.837**

NOTE 13 - PREPAID EXPENSES AND DEFERRED REVENUE

Deferred revenue - Current

	31 December 2014	31 December 2013
Advances received (*)	49.322.577	57.554.759
Gift voucher	20.909.319	15.237.590
Unused certificates of return goods (**)	12.923.765	10.814.538
Customer loyalty points	9.382.160	9.004.271
Income related to the mall contributions	3.219.117	3.992.440
Other	2.978.862	2.318.561
	98.735.800	**98.922.159**

(*) As of 31 December 2013, advances received amounting to TRY 15.958.726 are related with the advances received for the sale of real estates.

(**) Unused certificates of return goods consist of unused portion of certificates given to the customers for their return goods at the retail sales as of the balance sheet date yet.

Deferred revenue - Non-current

As of 31 December 2014, the non-current deferred revenue amounting to TRY 15.907.210 consists of income related to mall contribution (31 December 2013: TRY 12.449.262).

Prepaid expenses - Current

	31 December 2014	31 December 2013
Advances given for inventories	12.007.848	17.248.319
Prepaid insurance expenses	2.364.379	2.031.946
Prepaid rent expenses	53.482	3.930.791
Other	5.053.278	4.420.001
	19.478.987	**27.631.057**

NOTE 13 - PREPAID EXPENSES AND DEFERRED REVENUE (Continued)

Prepaid expenses – Non-current

	31 December 2014	31 December 2014
Advances given for fixed assets	3.903.178	54.845
Other	247.449	792.479
	4.150.627	**847.324**

NOTE 14 - INVESTMENT PROPERTIES

	1 January 2014	Additions	Transfers	Fair value changes	31 December 2014
Revalued amount					
Starcity Mall	120.240.000	39.286	-	6.760.714	127.040.000
Land in Antalya	935.000	-	-	-	935.000
Store at Unkapanı	175.000	-	-	-	175.000
Istwest stores	-	-	10.736.740	-	10.736.740
	121.350.000	**39.286**	**10.736.740**	**6.760.714**	**138.886.740**

In accordance with the protocole signed with Fer Yapı on 26 December 2014, revenue sharing is finished, land classified as inventory is derecognized and 88 stores and residences are recognized as inventory on 31 December 2014. Since the rent revenue is collected for 10 stores, they are transferred to the investment properties from inventories.

	1 January 2014	Additions	Transfers	changes	Fair value 31 December 2014
Revalued amount					
Starcity Mall	110.692.000	95.700	-	9.452.300	120.240.000
Land in Antalya	935.000	-	-	-	935.000
Store at Unkapanı	175.000	-	-	-	175.000
	111.802.000	**95.700**	**-**	**9.452.300**	**121.350.000**

The comparison of the cost of investment properties and their fair values as of 31 December 2014 is as follows:

Name	Date of expertise report	Fair value (TRY)	Cost value (TRY)
Starcity Mall	5 January 2015	127.040.000	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 31 December 2014, rent income from investment properties is amounting to TRY 10.302.356 (31 December 2013: TRY 8.425.852).

NOTE 14 - INVESTMENT PROPERTIES (Continued)

The fair value of land and buildings

As of 31 December 2014 and 2013, the fair value of land and buildings of the Group was determined by an independent expert. The fair value of İstwest is determined by the Company itself based on the sale price of similar stores in İstwest in 2014. Since the difference between the fair value and the carrying value of the stores is not significant, the carrying value is accepted as the fair value. 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)

	31 December 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	-	127.040.000	-
Land in Antalya	-	935.000	-
Store at Unkapanı	-	175.000	-
Istwest stores	-	10.736.740	-
	-	**138.886.740**	**-**

	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	-
Istwest stores	-	-	-
	-	**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.

NOTE 15 - PROPERTY PLANT AND EQUIPMENT

	1 January 2014	Additions	Disposals (-)	Transfers	Impairment	31 December 2014
Cost						
Land	62.934	-	-	-	-	62.934
Plant, machinery and equipment	125.644.550	1.773.877	(745.956)	-	-	126.672.471
Furniture and fixtures	117.440.430	27.609.140	(804.627)	4.136.963	-	148.381.906
Motor vehicles	866.281	261.602	-	-	-	1.127.883
Leasehold improvements	199.053.381	27.276.052	(2.845.644)	6.496.756	(2.491.603)	227.488.942
Construction in progress	5.323.257	7.967.031	-	(12.540.445)	-	749.843
	448.390.833	**64.887.702**	**(4.396.227)**	**(1.906.726)**	**(2.491.603)**	**504.483.979**
Accumulated depreciation (-)						
Plant, machinery and equipment	(108.604.442)	(5.784.006)	706.594	-	-	(113.681.854)
Furniture and fixtures	(20.001.914)	(22.292.026)	206.729	-	-	(42.087.211)
Motor vehicles	(476.246)	(200.204)	-	-	-	(676.450)
Leasehold improvements	(50.052.120)	(27.066.351)	59.029	-	2.207.588	(74.851.854)
	(179.134.722)	**(55.342.587)**	**972.352**	**-**	**2.207.588**	**(231.297.369)**
Net book value	**269.256.111**				**(284.015)**	**273.186.610**

(*) Impairment on property and equipment amounting to TRY 284.362 is related to special costs of closed stores written off during the period 1 January – 31 December 2014. (Not 25).

Depreciation expense amounting to TRY 41.463.804 (31 December 2013: TRY 24.578.661) has been charged in marketing expenses, TRY 7.233.405 (31 December 2013: TRY 7.735.154)) has been charged in cost of sales, TRY 6.629.344 (31 December 2013: TRY 4.132.160) in general and administrative expenses and TRY 16.034 (31 December 2013: TRY 17.213) in research and development expenses (Note 24).

As of 31 December 2014 total amount of insurance on tangible fixed assets TRY 877.100.395 (31December 2013: TRY 773.164.481)

NOTE 15 - PROPERTY PLANT AND EQUIPMENT (Continued)

	1 January 2013	Additions	Disposals (-)	Transfers	Impairment(*)	Assets acquired through business combinations	31 December 2013
Cost							
Land	-	-	-	-	-	62.934	62.934
Plant, machinery and equipment	123.319.079	2.970.211	(1.234.540)	-	-	589.800	125.644.550
Furniture and fixtures	11.622.611	25.623.891	(258.847)	9.588.333	-	70.864.442	117.440.430
Motor vehicles	405.797	-	(21.000)	-	-	481.484	866.281
Leasehold improvements	62.745.360	29.676.517	(3.648.186)	7.408.390	(5.741.856)	108.613.156	199.053.381
Construction in progress	2.390.809	8.172.895	44.208	(18.469.344)	-	13.184.689	5.323.257
	200.483.656	**66.443.514**	**(5.118.365)**	**(1.472.621)**	**(5.741.856)**	**193.796.505**	**448.390.833**
Accumulated depreciation (-)							
Plant, machinery and equipment	(103.161.165)	(6.534.165)	1.090.888	-	-	-	(108.604.442)
Furniture and fixtures	(8.752.206)	(11.284.778)	35.070	-	-	-	(20.001.914)
Motor vehicles	(405.797)	(73.438)	2.989	-	-	-	(476.246)
Leasehold improvements	(35.537.740)	(18.570.807)	1.884.926	-	2.171.501	-	(50.052.120)
	(147.856.908)	**(36.463.188)**	**3.013.873**	**-**	**2.171.501**	**-**	**(179.134.722)**
Net book value	**52.626.748**				**(3.570.355)**		**269.256.111**

(*) Net impairment loss amounting to TRY 3.570.355 consist of leasehold improvements of closed stores for the period 1 January-31 December 2013 (Note 25).

NOTE 16 - INTANGIBLE ASSETS

The movements in intangible assets and accumulated amortization for the year ended 31 December 2014 are as follows:

	1 January 2014	Additions	Disposals(-)	Transfers	31 December 2014
Cost					
Rights	8.802.775	1.593.876	(2.880)	1.892.269	12.286.040
Brands	468.937.644	414.557	-	7.194	469.359.395
Favorable rent contract	303.382.404	-	-	-	303.382.404
Franchise agreements	192.140.601	-	-	-	192.140.601
Customer network	76.727.000	-	-	-	76.727.000
Computer licenses	6.302.572	3.574.906	(1.935)	7.263	9.882.806
	1.056.292.996	**5.583.339**	**(4.815)**	**1.906.726**	**1.063.778.246**
Accumulated amortization (-)					
Rights	(5.045.485)	(3.620.761)	2.214	-	(8.664.032)
Favorable rent contract	(15.122.993)	(25.925.132)	-	-	(41.048.125)
Franchise agreements	(9.303.531)	(18.110.763)	-	-	(27.414.294)
Customer network	(2.983.828)	(5.115.133)	-	-	(8.098.961)
Computer licenses	(591.635)	(2.087.421)	752	-	(2.678.304)
	(33.047.472)	**(54.859.210)**	**2.966**	**-**	**(87.903.716)**
Net book value	**1.023.245.524**				**975.874.530**

As of 31 December 2014 depreciation expense amounting to TRY50.216.060 (31 December 2013: TRY 24.609.647) has been charged in marketing expenses, TRY 4.575.911 (31 December 2013: TRY 3.620.197) has been charged in general and administrative expenses, TRY 47.117 (31 December 2013: TRY 45.771) in cost of sales and TRY 20.122 (31 December 2013: TRY 33.168) in research and development expenses (Note 24).

NOT 16 - INTANGIBLE ASSETS (Continued)

	1 January 2013	Additions	Disposals (-)	Transfers	Assets acquired through business combinations	31 December 2013
Cost						
Rights	6.640.525	689.629	-	1.472.621	-	8.802.775
Brands	18.273.867	8.037.347	-	-	442.626.430	468.937.644
Favorable rent contract	-	-	-	-	303.382.404	303.382.404
Franchise agreements	-	-	-	-	192.140.601	192.140.601
Customer network	-	-	-	-	76.727.000	76.727.000
Computer licenses	-	1.383.061	(4.431)	-	4.923.942	6.302.572
	24.914.392	**10.110.037**	**(4.431)**	**1.472.621**	**1.019.800.377**	**1.056.292.996**
Accumulated amortization (-)						
Rights	(4.743.120)	(302.365)	-	-	-	(5.045.485)
Favorable rent contract	-	(15.122.993)	-	-	-	(15.122.993)
Franchise agreements	-	(9.303.531)	-	-	-	(9.303.531)
Customer network		(2.983.828)	-	-	-	(2.983.828)
Computer licenses	-	(596.066)	4.431	-	-	(591.635)
	(4.743.120)	**(28.308.783)**	**4.431**	**-**	**-**	**(33.047.472)**
Net book value	**20.171.272**					**1.023.245.524**

NOT 16 - INTANGIBLE ASSETS (Continued)

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.

Brand impairment tests

As of 31 December 2014, brands have been tested for impairment by using the revenue approach. While testing the value of brand, sales estimations based on the financial budgets approved by the management have been used.

Beymen brand

While testing the value of Beymen brand, revenue plans based on the financial budgets approved by the management covering a five year period have been taken into consideration with a growth rate between 10% and 20% and accordingly the cash flows calculated with this method is discounted with a discount rate of 13,6%. For the following period after five years, cash flows have been determined with a growth rate of 4,5%. If the estimated pre-tax discount rate used for the calculation of discounted cash flows had been 1% higher/lower than the management's estimate (instead of 13,60%, 14,60% or 12,60%) the fair value as at 31 December 2014 would decrease by TRY 40.772.869 and increase by TRY 51.088.764 and no impairment has been identified in sensitivity analysis performed with the rates.

Boyner brand

While testing the value of Boyner brand, revenue plans based on the financial budgets approved by the management covering a five year period have been taken into consideration with a growth rate between 10% and 20% and accordingly the cash flows calculated with this method is discounted with a discount rate of 14,7%. For the following period after five years, cash flows have been determined with a growth rate of 4,5%. If the estimated pre-tax discount rate used for the calculation of discounted cash flows had been 1% higher/lower than the management's estimate (instead of 14,70%, 15,70% or 13,70%) the fair value as at 31 December 2014 would decrease by TRY 22.830.164 and increase by TRY 27.917.366 and no impairment has been identified in sensitivity analysis performed with the rates.

T-box brand

While testing the value of T-box brand, revenue plans based on the financial budgets approved by the management covering a five year period have been taken into consideration with a growth rate between 15% and 30% and accordingly the cash flows calculated with this method is discounted with a discount rate of 13,5%. As of 31 December 2014, the Group has not identified any impairment as a result of this test. Discount rate after tax being 1% higher/lower (being 14,5% or 12,5% instead 13,5%) which is used in discounted cash flow calculations causes decrease at fair value amounting to TRY 2.895.870 or increase amounting to TRY 3.690.926 and no impairment has been identified in sensitivity analysis performed with the rates.

As a result of the impairment tests for goodwill performed based on the assumptions explained above, the Group did not identify any impairment as of 31 December 2014. As the fair values of the brands are higher than their carrying values, management did not calculate the recoverable amounts in terms of value in use.

NOTE 17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short term provision for employee benefits

Short term provision for employee benefits amounting to TRY 12.226.042 (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 31 December 2014 and 2013 are as follows:

	31 December 2014	31 December 2013
Provision for sales returns and price differences	8.277.667	8.310.125
Provision for litigation	2.998.275	3.228.417
Other	42.121	-
	11.318.063	**11.538.542**

The movement of other short term provisions is as follows:

	1 January 2014	Additions	Paid in provisions	31 December 2014
Provision for sales returns and price differences	8.310.125	7.998.541	(8.030.999)	8.277.667
Provision for litigation	3.228.417	1.513.902	(1.744.044)	2.998.275
Other	-	51.578	(9.457)	42.121
Total	**11.538.542**	**9.564.021**	**(9.784.500)**	**11.318.063**

Contingent assets and liabilities

Collaterals, Pledges and Mortgages

Collaterals, pledges and mortgages "CPM" given by the Company as of 31 December 2014 and 2013 are as follows:

	31 December 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	51.730.757	183.816.857
B. Total amount of GPMs which the Company provided on behalf of associates that are included to full consolidation	424.240.764	280.839.026
C. Total amount of GPMs which the Company provided on behalf of third parties to conduct business activities	-	-
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.	-	-
	475.971.521	**464.655.883**

NOTE 17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

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

The details of GPM are given as of 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014		31 December 2013	
Currency	**Original Amount**	**TRY Equivalent**	**Original Amount**	**TRY Equivalent**
TRY	359.917.618	359.917.618	370.969.811	370.969.811
USD	37.841.825	87.751.408	16.242.807	34.667.023
EUR	10.033.855	28.302.495	20.098.433	59.019.049
		475.971.521		**464.655.883**

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 Fennella due to the liability arising from the business combinations. The pledge condition will be terminated when total liability is paid until 5 June 2015.

NOTE 18 - COMMITMENTS

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

Operating lease commitments (Vehicles):

	31 December 2014	31 December 2013
Payable within 1 year	2.762.593	3.039.701
Payable within 1 - 5 years	2.801.405	4.209.860
	5.563.998	**7.249.561**

Operating leasing commitments (Stores):

	31 December 2014	31 December 2013
Payable within 1year	132.356.880	131.855.400
Payable within 1 - 5 years	195.059.192	183.958.565
Payable within 5 - 10 years	20.903.311	18.914.782
	348.319.383	**334.728.747**

Finance leasing commitments*:*

	31 December 2014	31 December 2013
Payable within 1 year	8.459.088	12.789.487
Payable within 1 - 5 years	2.300.638	4.793.832
	10.759.726	**17.583.319**

NOTE 18 - COMMITMENTS (Continued)

Operating leasing commitments (Office):

	31 December 2014	31 December 2013
Payable within 1 year	14.695.729	13.453.289
Payable within 1 - 5 years	2.200.000	11.585.614
	16.895.729	**25.038.903**

The commitments of the Group related to export operations as of 31 December 2014 amounting to 5.477.247 USD (31 December 2013: 8.278.923 USD).

NOTE 19 - EMPLOYEE BENEFITS

Short term provision for employee benefits

Short term provision for employee benefits as of 31 December 2014 and 2013 are as follows:

	31 December 2014	31 December 2013
Payables to personnel	11.964.811	10.997.361
Social security premiums	8.651.118	6.983.349
	20.615.929	**17.980.710**

Long term provision for employee benefits

Under the Turkish Labor Law, the Group is required to pay employee benefits to each employee who has qualified for such benefits as the employment ended. Also, employees entitled to a retirement are required to be paid retirement pay in accordance with Law No: 2242 dated 6 March 1981 and No: 4447 dated 25 August 1999 and the amended Article 60 of the existing Social Insurance Code No: 506. Some transitional provisions related with retirement prerequisites have been removed due to the amendments in the relevant law on May 23, 2002.

The amount payable consists of one month's salary limited to a maximum of TRY 3.438,22 for each period of service as of 31 December 2014 (31 December 2013: TRY 3.254,44). The retirement pay provision ceiling is revised semi-annually, and TRY 3.541,37 which is effective from 1 January 2015, is taken into consideration in the calculation of provision for employee benefits (invalided between 31 December 2013 and 1 January 2014: TRY 3.438,22). Liability of employee benefits is not subject to any funding as there isn't an obligation. Provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. TAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the Group's obligation under the defined benefit plans. The following actuarial assumptions are used in the calculation of the total liability. Actuarial loss/ (gain) are accounted in the statement of comprehensive income under revaluation reserves.

NOTE 19 - EMPLOYEE BENEFITS (Continued)

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying consolidated financial statements as of 31 December 2013 and 2012 the provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. Provisions at the balance sheet date were calculated by assuming an annual inflation rate of 6% (31 December 2013: 6%) and a discount rate of 9, 15% (31 December 2013: 9, 8%). The anticipated rate of forfeitures that occurred on voluntary turnovers is considered. The estimated rates of December 31, 2014 date for store personnel 89.73% (31 December 2013: 91.30%) and 95.95% for the management and other personnel (31 December 2013: 93.72%)

The provision for employee benefits in the statement of comprehensive income and balance sheet is as follows:

	31 December 2014	31 December 2013
Recognized amounts during period	6.765.779	2.325.710
Financial liability from employee benefits (Note 28)	2.758.228	1.465.953
Closing balance	**9.524.007**	**3.791.663**

	31 December 2014	31 December 2013
Provision for employee benefits	24.318.778	21.536.781
	24.318.778	**21.536.781**

The movement of employee benefits is as follows:

	2014	2013
Opening balance - 1 January	**21.536.781**	**11.326.033**
Cost of service	6.765.779	2.325.710
Cost of interest	2.758.228	1.465.953
Liability obtained through business combinations	-	7.895.204
Actuarial losses	1.756.215	3.879.274
Payments (-)	(8.498.225)	(5.355.393)
Closing balnce - 31 December	**24.318.778**	**21.536.781**

NOTE 20 - OTHER ASSETS AND LIABILITIES

Other current assets

	31 December 2014	31 December 2013
Value added taxes ("VAT") carried forward	56.207.455	56.040.239
Other VAT receivables	21.148.305	18.378.015
Incentive income accruals	1.061.567	-
Job advances	648.871	421.730
Advances given to employee	8.976	118.225
Other	1.107.934	1.213.264
	80.183.108	**76.171.473**

Other non-current assets

Other non-current assets of the Group consist of long term VAT receivables amounting to TRY 21.001.321 (31 December 2013: TRY 9.395.084).

Other short term liabilities

	31 December 2014	31 December 2013
Taxes payable	11.598.596	8.219.704
Other	1.076.900	664.968
	12.675.496	**8.884.672**

NOTE 21 - EQUITY

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

	31 December 2014		31 December 2013	
	Share	Amount (TRY)	Share	Amount (TRY)
Boyner Holding	79,11%	31.645.113	79,11%	31.645.113
Other shareholders and free float (*)	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**

(*) Represents shareholding less than 10%.

NOTE 21 - EQUITY (Continued)

As of 31 December 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:

	31 December 2014	31 December 2013
Legal reserves	10.467.368	10.467.368
Legal reserves arising from tax exemption related to the gain from 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.

Revaluation funds

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

	31 December 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 tax effect	(3.943.025)	(3.943.025)
Transfer to accumulated losses	(54.315.675)	(45.076.755)
	20.566.110	**29.805.030**

NOTE 21 - EQUITY (Continued)

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

	2014	2013
Openning balance - 1 January	29.805.030	74.881.785
Transfer to accumulated losses (*)	(9.238.920)	(45.076.755)
Closing balance - 31 December	**20.566.110**	**29.805.030**

(*) The deliveries for the completed parts of the project have been started in 2013 as explained in Note 12. Revaluation fund associated with this 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 31 December 2014 and 31 December 2013 is as follows:

	31 December 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)**

NOTE 22 - REVENUE AND COST OF SALES

Sales

	2014	2013
Domestic sales	3.441.658.051	1.945.710.115
Gain on sales of real estate	114.992.722	172.613.985
Export sales	69.397.258	72.871.400
Other sales	4.628.649	1.313.067
Sales returns (-)	(324.751.905)	(162.927.731)
Sales discounts (-)	(145.511.085)	(127.984.420)
	3.160.413.690	**1.901.596.416**

Cost of sales

	2014	2013
Cost of trade goods sold	1.661.047.650	837.135.504
Cost of finished goods sold	153.667.870	201.159.523
Cost of services given and stores and residences sold	93.623.605	136.727.698
Cost of sales	**1.908.339.125**	**1.175.022.725**

NOTE 23 – MARKETING, GENERAL ADMINISTRATIVE AND RESEARCH AND DEVELOPMENT EXPENSES

	2014	2013
Marketing expenses	887.032.629	512.156.850
General administrative expenses	227.553.997	130.609.454
Research and development expenses	5.311.048	5.024.714
	1.119.897.674	**647.791.018**

Research and development expenses

	2014	2013
Personnel expenses	3.342.118	3.620.099
Outsourced benefits and services	1.071.089	947.973
Depreciation and amortization expenses (Notes 15 and 16)	36.156	50.381
Other	861.685	406.261
	5.311.048	**5.024.714**

Marketing expenses

	2014	2013
Personnel expenses	265.054.822	153.162.904
Rent expense	243.413.038	146.676.064
Selling, commission and premium expenses	104.496.203	52.419.782
Depreciation and amortization expenses (Notes 15 and 16)	91.679.864	49.188.308
Outsourced benefits and services		
- services rendered from outside	74.182.291	41.996.617
Advertisement, brand and store expenses	66.677.899	40.012.931
Other	41.528.512	28.700.244
	887.032.629	**512.156.850**

General administrative expenses

	2014	2013
Personnel expenses	127.821.868	60.305.381
Outsourced benefits and services		
- services rendered from outside	30.399.103	35.607.820
Storage expenses	13.442.311	6.563.821
Depreciation and amortization expenses (Notes 15 and 16)	11.205.255	7.752.357
Rent expense	10.072.921	5.561.881
Travel expense	4.249.190	3.864.572
Other	30.363.349	10.953.622
	227.553.997	**130.609.454**

NOTE 24 - EXPENSE BY NATURE

Personnel expenses

	2014	2013
Marketing expenses	265.054.822	153.162.904
General administrative expenses	127.821.868	60.305.381
Research and development expenses	3.342.118	3.620.099
Cost of goods sold	10.230.947	8.344.862
	406.449.755	**225.433.246**

Depreciation and amortization expenses

	2014	2013
Marketing expenses	91.679.864	49.188.308
General administrative expenses	11.205.255	7.752.357
Research and development expenses	36.156	50.381
Cost of goods sold	7.280.522	7.780.925
	110.201.797	**64.771.971**

NOTE 25 - OTHER OPERATING INCOME / (EXPENSE)

Other operating income

	2014	2013
Foreign exchange gains arising from operating activities	71.094.341	53.313.471
Unearned finance income from trade payables	41.697.802	22.206.304
Interest income arising from the sales with extended terms	25.374.673	12.475.726
Increase in fair value of investment properties (Note 14)	6.760.714	9.452.300
Commission income	3.445.725	2.146.414
Rent income	2.403.271	2.716.313
Collection of impaired receivables (Not 10)	2.189.792	4.852.483
Change in the contingent consideration arising from acquisition of subsidiary (Note 3)	-	12.446.229
Other	22.525.743	12.014.277
	175.492.061	**131.623.517**

NOTE 25 - OTHER OPERATING INCOME / (EXPENSE) (Continued)

Other expenses from operations

	2014	2013
Foreign currency loss arising from operating activities	72.667.723	68.165.910
Interest expense arising from the sales with extended terms	43.632.000	22.860.682
Unearned finance expense from trade receivables	36.811.298	16.152.913
Commission expenses	1.025.301	5.739.810
Expenses related to closed stores (Note 15)	284.015	3.570.355
Other	13.478.415	9.489.758
	167.898.752	**125.979.428**

NOTE 26 - INCOME FROM INVESTING ACTIVITIES

Income from investing activities

	2014	2013
Gain on sales of fixed assets	70.695	930.087
Fair value gains related to business combinations (Note 3)	-	625.612.315
Other	-	476.000
	70.695	**627.018.402**

Loss from investing activities

	2014	2013
Loss on sales of fixed assets	2.031.153	3.034.579
Loss on sales of real estate	-	90.000
	2.031.153	**3.124.579**

NOT 27 - FINANCIAL INCOME

Financial income

	2014	2013
Interest income	10.401.222	3.205.145
Foreign exchange gains	8.308.630	11.315.246
	18.709.852	**14.520.391**

NOT 28 - FINANCIAL EXPENSES

Financial expenses

	2014	2013
Interest expenses arising from bank borrowings	138.497.371	91.867.532
Foreign currency losses	77.837.723	119.210.947
Expenses related to bills and bonds	57.496.746	28.450.408
Interest expense from the purchases with extended terms	56.418.269	33.457.420
Factoring expenses	17.074.805	7.201.125
Credit card commissions and factoring expenses	15.652.825	6.759.878
Bank commission expenses	7.951.409	5.869.309
Interest expenses related to employee benefits (Not 19)	2.758.228	1.465.953
Other	5.957.691	1.920.662
	379.645.067	**296.203.234**

NOTE 29 - TAX ASSETS AND LIABILITIES

a) Corporate Tax

The Turkish corporation tax rate for 2014 is 20% (31 December 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:

	31 December 2014	31 December 2013
Corporate tax calculated	12.059.552	7.872.995
Prepaid taxes (-)	(9.861.451)	(6.664.684)
Tax payable acquired through business combinations (Note 3)	-	5.619.525
	2.198.101	**6.827.836**

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

	2014	2013
Current period corporate tax expense	(12.059.552)	(10.666.708)
Deferred tax income	7.179.767	5.618.611
Total tax expense	**(4.879.785)**	**(5.048.097)**

NOTE 29 - TAX ASSETS AND LIABILITIES (Continued)

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

	2014	**2013**
Profit before tax	**(221.009.535)**	**433.640.939**
Corporate tax as percentage of 20%	44.201.907	(86.728.188)
Non-deductible expenses	(12.202.602)	(2.416.216)
Non-taxable income	3.694.916	408.097
Carry forward tax losses on which deferred tax is not calculated	(42.990.482)	(37.811.841)
Other adjustments on which deferred tax is not calculated	8.967.592	7.551.269
Consolidation adjustments on which deferred tax is not calculated	(6.765.347)	113.280.371
Other	214.231	668.411
Total tax expense	**(4.879.785)**	**(5.048.097)**

NOTE 29 - INCOME TAX ASSETS AND LIABILITIES (Continued)

b) Deferred tax assets and liabilities:

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

	31 December 2014		31 December 2013	
	Temporary differences	**Deferred tax asset / (liability)**	**Temporary differences**	**Deferred tax asset / (liability)**
Tangible/Intangible fixed asset	995.933.491	(199.186.698)	1.020.156.720	(204.031.344)
Unearned finance expense on trade receivable and payable, net	(2.462.377)	492.475	6.207.889	(1.241.578)
Impairment on inventories	(31.092.799)	6.218.560	(22.369.827)	4.473.966
Provision for employee benefit	(33.262.081)	6.652.416	(32.431.580)	6.486.316
Provision for doubtful receivables	(5.281.550)	1.056.310	(10.170.436)	2.034.087
Provision for sales returns and price difference	(11.246.920)	2.249.384	(8.226.816)	1.645.363
Deferred revenue and customer loyalty programs	(27.980.930)	5.596.186	(26.143.616)	5.228.722
Carry forward losses	-	-	(24.447.181)	4.889.436
Fair value difference of real estate recognized in the income statement	87.015.975	(17.403.195)	78.586.831	(15.717.366)
Other	(48.057.358)	9.620.063	(19.209.177)	3.996.890
Deferred tax asset/(liability), net	**923.565.451**	**(184.704.499)**	**961.952.807**	**(192.235.508)**
Deferred tax asset		**20.780.265**		**25.021.839**
Deferred tax liability		**(205.484.764)**		**(217.257.347)**

NOTE 29 - INCOME TAX ASSETS AND LIABILITIES (Continued)

The movement of deferred tax tax assets/ (liabilities) for the periods ended 31 December 2014 and 2013 are as follows:

	2014	2013
Openning balance - 1 January	**(192.235.508)**	**(11.413.531)**
Tax income for the period	7.179.767	5.618.611
Amounting to recognized in equity	351.243	775.855
Deferred tax asset/liability acquired through business combinations, net	-	(187.216.443)
Closing balance - 31 December	**(184.704.499)**	**(192.235.508)**

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

The deferred tax assets on carry forward tax losses which are not recognized as the end of each period are reviewed. When it is probable that the taxable profit for the use of deferred tax assets will be obtain in the near future, deferred tax assets which are not recognized in the prior periods are recognized in the current period.

NOTE 30 - EARNINGS / (LOSSES) PER SHARE

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

	2014	2013
(Loss)/Profit for the current period (TRY)	(225.956.139)	428.036.620
Weighted average number of shares (*)	40.000.000	40.000.000
Earnings/(losses) per share of the Company (TRY)	(5,65)	10,70

(*) Per share of TRY 1 nominal value.

NOTE 31 - RELATED PARTY DISCLOSURES

a) Trade receivables due from related parties as of 31 December 2013 and 2012 are as follows:

	31 December 2014		31 December 2013	
	Trade	**Other**	**Trade**	**Other**
Receivables from shareholders				
Boyner Holding A.Ş.	2.276.105	83.792.200	2.423.688	37.428.301
Receivables from associates				
Nile Bosphorus (*)	3.252.007	-	2.993.125	-
İzkar Giyim Tic Ve San AŞ.	586.877	-	757.354	-
Christian Dior İstanbul Mağazacılık A.Ş	-	141.908	64.522	-
Receivables from joint ventures				
Elif Co. For General Trading Ltd.	8.620.037	-	8.102.125	-
Christian Louboutin Mağazılık A.Ş	164.538	-	91.913	-
Receivables from other related parties				
BR Mağazacılık A.Ş.	15.683.954	-	12.679.596	-
Fırsat Teknoloji A.Ş.	18.744.905	1.684.282	6.760.707	-
Ran Konfeksiyon Tekstil Deri ve Yan Ürünler Ith.ve İhr. Turizm Ltd.	4.529.644	-	2.725.900	-
Era Mağazacılık A.Ş.	5.173.150	-	5.033.464	-
Nişantaşı Turizm İşletmeleri A.Ş.	2.130	67.104	24.149	-
Vista Sağlık Hizmetleri Ticaret Danışmanlık A.Ş.	-	-	32.841	-
Christian Louboutin SA.	-	-	9.693	-
Boyner Bireysel Ürünler Satış ve Pazarlama A.Ş.	-	-	4.842	-
Total	**59.033.347**	**85.685.494**	**41.703.919**	**37.428.301**

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

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

	31 December 2014		31 December 2013	
	Trade	**Other**	**Trade**	**Other**
Payables to shareholders				
Boyner Holding A.Ş.	1.411.131	8.350.048	4.133.225	41.349.748
Payables to individual shareholders	-	23.184.898	-	-
Payables to associates				
İzkar Giyim Tic Ve San AŞ.	-	-	25.267	-
Christian Louboutin Mağazacılık A.Ş	87.933	-	-	-
Christian Dior İstanbul Mağazacılık A.Ş.	862.208	-	-	-
Payables to other related parties				
BNR Teknoloji A.Ş.	114.374	-	39.001.601	-
BR Mağazacılık A.Ş.	6.007.923	-	5.339.645	-
Alsis Sigorta Acentalığı A.Ş.	2.118.491	-	1.833.086	-
Boğaziçi Yatçılık ve Turizm Yatırımları A.Ş.	5.869	-	4.706	-
Fırsat Teknoloji A.Ş.	2.619	-	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.	691.712	-	-	-
	11.302.260	**31.534.946**	**50.347.023**	**41.349.748**

NOTE 31 - RELATED PARTY DISCLOSURES (Continued)

c) Purchase and sale of goods and services to related parties as of 31 December 2014 and 2013 are as follows:

	31 December 2014			31 December 2013		
Purchases	**Goods**	**Services**	**Interest/ Other**	**Goods**	**Services**	**Interest/ Other**
Shareholders						
Boyner Holding A.Ş.	35.722	16.607.401	2.457.371	36.272	18.673.738	5.917.425
Subsidiaries						
Boyner Büyük Mağazacılık A.Ş. (*)	-	-	-	-	-	1.416.667
Beymen Mağazacılık A.Ş. (*)	-	-	-	679.352	-	1.112.255
Joint-ventures						
Christian Dior İstanbul Mağazacılık A.Ş.	4.667.638	-	-	-	-	-
Christian Louboutin Mağazacılık A.Ş.	4.464.099	-	-	-	-	-
Other related parties						
BR Mağazacılık A.Ş.	15.538.250	-	14.611	10.099.571	-	-
Fırsat Elektronik A.Ş.	1.737	1.389.675	-	13.846	475.461	-
Ran Konfeksiyon Tekstil Deri Yan Ürünler Ith. ve İhr. Turizm Ltd.	-	-	-	-	-	234.313
Boğaziçi Yatçılık ve Turizm Yatırımları ve Ticaret A.Ş.	-	143.500	-	-	131.750	-
Alsis Sigorta Acentalığı A.Ş.	-	8.159.329	-	-	4.361.088	-
BNR Teknoloji A.Ş.	-	76.167	-	-	340.139	200.790
Nişantaşı Turizm İşletmeleri A.Ş.	-	24.407	-	-	22.027	-
Yeni Ege Konfeksiyon Yan Ürünleri Ticaret ve Sanayi A.Ş.	782.340	-	-	-	-	-
Era Mağazacılık A.Ş.	-	-	-	-	-	127.183
	25.489.786	**26.400.479**	**2.471.982**	**10.829.041**	**24.004.203**	**9.008.633**

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

	31 December 2014			31 December 2013		
Sales	**Goods**	**Services**	**Interest/ Other**	**Goods**	**Services**	**Interest/ Other**
Shareholders						
Boyner Holding A.Ş.	71.440	867.610	7.534.531	-	1.832.843	3.186.871
Subsidiaries						
Beymen Mağazacılık A.Ş. (*)	-	-	-	2.021.384	150.000	-
Boyner Büyük Mağazacılık A.Ş. (*)	-	-	-	6.249.655	163.470	223.602
Associates						
İzkar Giyim Tic. ve San. A.Ş.	10.554.837	-	-	6.460.539	-	-
Joint ventures						
Elif Co. For General Trading Ltd.	5.640.171	-	-	2.402.397	-	-
Christian Dior İstanbul Mağazacılık A.Ş.	3.777	259.200	-	-	-	-
Other related parties						
BR Mağazacılık A.Ş.	47.756.676	443.980	2.560.135	48.811.562	198.555	1.327.377
Fırsat Teknoloji A.Ş.	38.869.990	1.030.633	373.163	14.354.877	-	3.432.411
Nişantaşı Turizm İşletmeleri A.Ş.	-	744.467	-	-	383.115	-
Ran Konfeksiyon Tekstil Deri ve Yan Ürünler Ith. ve İhr. Turizm Ltd.	8.710.504	-	119.509	4.263.017	275.078	1.499
Boyner Bireysel Ürünler Satış ve Paz. A.Ş.	26.695	-	-	-	32.187	-
Alsis Sigorta Acentalığı A.Ş.	-	72.000	-	-	-	-
H.F. Boyner Biraderler Export A.Ş				1.618	-	-
Christian Louboutin Mağazacılık A.Ş.	158.711	239.400	-	1.440	-	-
Era Mağazacılık A.Ş.	2.396.006	734.665	-	1.343.880	454.383	-
Back Up Bireysel Ürünler Satış ve Pazarlama A.Ş.	43.000	29.318	-	-	-	-
	114.231.807	**4.421.273**	**10.587.338**	**85.910.369**	**3.489.631**	**8.171.760**

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

NOTE 31 - RELATED PARTY DISCLOSURES (Continued)

e) The top management team comprises of board members, general manager and deputy general managers. As of 31 December 2014, the Group has provided remuneration amounting to TRY 47.122.764 to the top executives (1 January - 31 December 2013: TRY 19.375.822).

NOTE 32 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Group's management policies and implementations related to risks arising from financial instruments are stated in the following:

i. Funding risk

The funding risk on the present and potential liabilities is monitored through providing sufficient amount of funding commitments from loan providers with high funding potential.

ii. Credit risk

Credit risk is the risk of loss arising from one of the parties to a transaction that does not fulfill his liabilities in relation to a financial instrument. The Group tries to monitor its credit risk through limiting the transactions made with certain parties and by continuous evaluation of the credibility of its related parties.

Majority of the trade receivables are due from third parties and related parties. The Group has established an effective control system over the dealers and the credit risk arising from these transactions are followed up by the management. The Group has a high number of customers; hence its credit risk is dispersed. In managing the risk arising from non-related parties, the Group receives bank guarantees, credit insurance, mortgages on real estate and guarantee cheques and notes based on a principle to secure its receivables to the highest extent possible.

The collection of payments against exports is secured by Letter of Credit, guarantee letters, or advance payment methods.

NOTE 32 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

ii. Credit risk (Continued)

The credit risks incurred by the Group by type of financial instruments as of 31 December 2014 and 2013 are set out in the table below:

	31 December 2014					
	Trade Receivables		**Other Receivables**			
	Related parties	**Third parties**	**Related parties**	**Third parties**	**Deposits in bank**	**Other**
Maximum credit risk incurred as of the reporting date (1)	**59.033.347**	**343.320.331**	**85.745.594**	**3.653.917**	**42.886.761**	**246.670.114**
- The part of maximum risk under guarantee with collaterals, etc	-	32.581.002	-	-	-	-
A. Net book value of financial assets that are neither overdue nor impaired (2)	48.647.758	289.970.986	85.745.594	3.653.917	42.886.761	246.670.114
The part under guarantee with collaterals, etc	-	29.753.759	-	-	-	-
B. Net book value of financial assets that are renegotiated, if not that will be accepted as part due or impaired	-	48.525.233	-	-	-	-
- The part under guarantee with collaterals, etc (3)	-	13.493.000	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	10.385.589	4.824.112	-	-	-	-
- The part under guarantee with collaterals, etc	-	11.692.135	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross carrying amount)	-	25.625.598	-	-	-	-
- Impairment (-)	-	(25.625.598)	-	-	-	-
- The part under guarantee with collaterals, etc	-	709.143	-	-	-	-
- E. Off-balance sheet items with credit risk	-	-	-	-	-	-

1. The indicated totals represent the maximum credit risks incurred as of the reporting date without taking into consideration the guarantees held or other elements that improve creditability.
2. The indicated totals comprise of the customers that the Group did not have any collection problem or collected their receivables with delay.
3. The Group has obtained guarantee notes of TRY 13.493.000 against its receivables whose conditions are revised, which otherwise would be considered overdue or impaired.

NOTE 32 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

ii. Credit risk (Continued)

	31 December 2013					
	Trade Receivables		Other Receivables			
	Related parties	Third parties	Related parties	Third parties	Deposits in bank	Other
Maximum credit risk incurred as of the reporting date [1] (Note 6,10,11)	**41.703.919**	**350.131.375**	**37.428.301**	**8.622.066**	**43.866.746**	**245.690.129**
- The part of maximum risk under guarantee with collaterals, etc	-	101.878.962	-	-	-	-
A. Net book value of financial assets that are neither overdue nor impaired [2]	30.259.746	307.372.001	37.428.301	8.622.066	43.866.746	-
The part under guarantee with collaterals, etc	-	72.692.980	-	-	-	-
B. Net book value of financial assets that are renegotiated, if not that will be accepted as part due or impaired	-	20.901.809	-	-	-	-
- The part under guarantee with collaterals, etc [3]	-	20.901.809	-	-	-	-
			-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	11.444.173	21.857.565	-	-	-	-
- The part under guarantee with collaterals, etc	-	8.284.173	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross carrying amount)	-	26.703.737	-	-	-	-
- Impairment (-)	-	(26.703.737)	-	-	-	-
- The part under guarantee with collaterals, etc	-	-	-	-	-	-
- E. Off-balance sheet items with credit risk	-	-	-	-	-	-

1. The indicated totals represent the maximum credit risks incurred as of the reporting date without taking into consideration the guarantees held or other elements that improve creditability.
2. The indicated totals comprise of the customers that the Group did not have any collection problem or collected their receivables with delay.
3. The Group has obtained guarantee notes of TRY 20.901.809 against its receivables whose conditions are revised, which otherwise would be considered overdue or impaired.

NOTE 32 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

The trade receivables that are past due but not impaired are as follows:

Trade receivables	**31 December 2014**	**31 December 2013**
1-30 days overdue	3.493.452	3.750.467
1-3 months overdue	3.675.539	2.179.652
3-12 months overdue	8.040.710	24.378.494
More than 12 months overdue	-	2.993.125
Total	**15.209.701**	**33.301.738**
The part secured with guarantee	**11.692.135**	**8.284.173**

iii. Liquidity risk

The Group is eligible to use banks as well as its suppliers and shareholders as funding resources. The Group's liquidity risk is continuously evaluated through determining and monitoring changes in funding conditions required for achieving the targets set within the scope of the Group's strategy.

The Group manages its liquidity risk by monitoring expected and actual cash flows on regular basis and by maintaining continuity of funds and borrowing reserves through matching the maturities of financial assets and liabilities.

As of 31 December 2014 and 2013, the liquidity risk arising from the Group's financial liabilities consist of the following:

31 December 2014

Maturities accordance with agreements	**Carrying value**	**Total cash putflows in accordance with contract**	**Less than 3 months**	**3-12 months**	**1-5 Years**
Derivative Financial Assets					
Derivative assets	4.932.506	4.932.506	481.132	1.202.606	3.248.768
Total	**4.932.506**	**4.932.506**	**481.132**	**1.202.606**	**3.248.768**

The Group has not own derivative financial instruments as of 31 December 2013.

NOTE 32 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

iii. Liquidity risk (Continued)

31 December 2014

Maturities accordance with agreements	Carrying value	Total cash outflows in accordance with contract	Less than 3 months	3-12 months	1-5 Years	More than 5 Years
Non-Derivative Financial Liabilities						
Financial liabilities	1.523.801.305	1.788.259.748	340.812.111	828.273.556	571.376.493	47.797.588
Trade payables due to third and related parties	1.009.860.681	1.138.034.933	692.476.610	443.681.082	1.877.241	-
Other financial liabilities	109.628.739	113.310.103	69.575.885	43.734.218	-	-
Other payables (Note 11)	882.249.085	1.396.269.922	538.632.020	801.485.110	56.152.792	-
	3.525.539.810	**4.435.874.706**	**1.641.496.626**	**2.117.173.966**	**629.406.526**	**47.797.588**

31 December 2013

Maturities accordance with agreements	Carrying value	Total cash outflows in accordance with contract	Less than 3 months	3-12 months	1-5 Years
Non-Derivative Financial Liabilities					
Financial liabilities	1.295.540.113	1.381.225.597	428.020.603	515.789.505	437.415.489
Trade payables third and related parties	919.037.377	1.081.327.750	624.007.124	456.138.969	1.181.657
Other financial liabilities	58.629.605	58.629.607	18.161.008	40.468.599	-
Other payables (Note 10)	862.035.592	936.505.682	31.271.268	100.226.602	805.007.812
	3.135.242.687	**3.457.688.636**	**1.101.460.003**	**1.112.623.675**	**1.243.604.958**

iv. Price risk

The Group monitors its price risk through sales for hedging purposes, cost, and profitability analyses and following up on changes in market conditions.

v. 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.

NOTE 32 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

v. Foreign currency risk (Continued)

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

	31 December 2014					31 December 2013				
	TRY Equivalent (Functional Currency)	USD	EUR	GBP	CHF	TRY Equivalent (Functional Currency)	USD	EUR	GBP	CHF
1. Trade receivables	56.911.954	16.622.575	6.111.920	313.109	-	34.468.982	12.464.000	2.562.990	97.069	-
2a. Monetary financial assets, (cash and banks account included)	3.421.203	1.084.633	302.789	11.562	4.442	9.858.143	1.514.331	2.225.480	25.911	-
2b. Non-Monetary financial assets	4.117.248	1.157.465	492.664	12.109	-	10.953.832	2.173.054	2.135.351	12.937	-
3. Other	45.254.712	2.167.576	14.132.627	101.337	-	10.940.699	2.038.562	2.142.576	84.900	
4. Current Assets (1+2+3)	109.705.117	21.032.249	21.040.000	438.117	4.442	66.221.656	18.189.947	9.066.397	220.817	-
5. Trade receivables	3.252.007	1.402.392	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-	-	-
6b. Non-monetary Financial Assets	165.767	65.253	5.124	-	-	909.255	58.666	267.000	-	-
7. Other	-	-	-	-	-	-	-	-	-	-
8. Non-Current Assets (5+6+7)	3.417.774	1.467.645	5.124	-	-	909.255	58.666	267.000	-	-
9. Total Assets (4+8)	113.122.891	22.499.894	21.045.124	438.117	4.442	67.130.911	18.248.613	9.333.397	220.817	-
10. Trade payables	140.909.248	15.890.755	36.864.226	19.670	2.786	163.888.953	24.178.423	38.213.782	19.985	-
11. Financial liabilities	199.513.067	69.898.151	13.268.425	-	-	104.269.535	31.216.064	12.819.714	-	-
12a. Financial liabilities	1.027.267.994	439.637.533	2.626.710	106.604	-	66.973.903	30.324.850	766.662	71	-
12b. Other non-monetary liabilities	-	-	-	-	-	-	-	-	-	-
13. Current Liabilities (10+11+12)	1.367.690.309	525.426.439	52.759.361	126.274	2.786	335.132.391	85.719.337	51.800.158	20.056	-
14. Trade payables	-	-	-	-	-	-	-	-	-	-
15. Financial Liabilities	287.565.817	97.413.112	21.864.981	-	-	25.771.166	3.038.878	6.567.440	-	-
16a. Other monetary liabilities	100.257	36.130	5.841	-	-	686.875.985	321.827.290	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-	-	-	-	-	-
17. Non-current liabilities (14+15+16)	287.666.074	97.449.242	21.870.822	-	-	712.647.151	324.866.168	6.567.440	-	-
18. Total liabilities (13+17)	1.655.356.383	622.875.681	74.630.183	126.274	2.786	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)	(1.542.233.492)	(600.375.787)	(53.585.059)	311.843	1.656	(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)	(1.591.771.219)	(603.766.081)	(68.215.474)	198.397	1.656	(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	66.071.652	11.026.212	13.541.365	769.837	-	84.422.904	27.973.389	15.836.227	637.859	-
26. Import	396.469.925	156.157.960	17.630.086	54.501	-	295.511.042	39.571.714	91.883.615	399.866	62.932

NOTE 32 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

v. Foreign currency risk (Continued)

Foreign currency sensitivity

As of 31 December 2013 and 2012, 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.

	31 December 2014			
	Profit/Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
Change of USD against TRY by 10%:				
1- USD net assets / liabilities	(122.749.951)	122.749.951	-	-
2- USD hedged from risks (-)	-	-	-	-
3- USD net effect (1+2)	**(122.749.951)**	**122.749.951**	**-**	**-**
Change of EUR against TRY by 10%:				
4- EUR net assets / liabilities	(15.114.737)	15.114.737	-	-
5- EUR hedged from risks (-)	-	-	-	-
6- EUR net effect (4+5)	**(15.114.737)**	**15.114.737**	**-**	**-**
Change of other currencies against TRY by 10%:				
7- Other currencies net assets / liabilities	112.142	(112.142)	-	-
8- Other currencies hedged from risks (-)	-	-	-	-
9- Other currencies net effect (7+8)	**112.142**	**(112.142)**	**-**	**-**
TOTAL (3+6+9)	**(137.752.546)**	**137.752.546**	**-**	**-**

	31 December 2013			
	Profit/Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
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 32 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

vi. Interest rate risk

The Group is exposed to interest risk because of its interest generating assets and liabilities. The Group's activities are exposed to the risk of interest rate fluctuations when the interest -sensitive assets and liabilities are depreciated at different times and amounts or when their prices are revised. The said interest rate risk is continuously monitored and managed by the company management by balancing the Company's interest-sensitive assets and liabilities.

For the purpose keeping the effect of interest rate fluctuations on the financial debts at a minimum level, the company management maintains the "fixed interest/variable interest" and "TRY/foreign currency" balances in these liabilities.

Interest risk sensitivity

The financial instruments of the Group which are sensitive to interest rates are stated in the following:

	31 December 2014	**31 December 2013**
Financial instruments with fixed interest		
Financial assets	14.251.975	18.291.920
Financial liabilities	427.344.594	569.663.912
Financial instruments with floating interest		
Financial assets	-	-
Financial liabilities	1.096.456.711	725.876.201

If the interest on loans with variable interest denominated in TRY, USD and Euro on renewal dates were higher/lower by 100 basis points with all other variables remaining constant as of 31 December 2014, the current period profit before tax would be lower/higher by TRY 548.228 as a result of high/low interest expenses arising from loans with variable interest (31 Aralık 2013: TRY 362.938).

vii. Capital risk management

In capital management, the Group aims to enable continuity of the Group's operations and to maintain the most suitable capital structure so as to provide earnings to its partners and benefits to other shareholders and to decrease capital cost.

In order to maintain or re-arrange the capital structure, the Group may change the amount of dividends paid to shareholders, return the capital to shareholders, issue new shares, and sell its assets in order to decrease the level of its borrowings.

The Group monitors the share capital by using the financial debt/equity ratio. This ratio is found by dividing the net debts to total equity. The net debt is calculated by deducting the cash and cash equivalents from the total financial debts (long or short term).

NOTE 32 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

vii. Capital risk management (Continued)

	31 December 2014	31 December 2013
Financial debt	1.633.430.044	1.354.169.718
Less: Cash and cash equivalents	(317.079.148)	(289.556.875)
Net financial debt	**1.316.350.896**	**1.064.612.843**
Total equity	133.829.600	361.499.793
Net financial debt /Total equity ratio	**10,2%**	**33,9%**

NOT 33 - FAIR VALUE DISCLOSURES AND FINANCIAL INSTRUMENTS

The Group classifies the fair value measurement of each class of financial instruments according to the source, using the three-level hierarchy, 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)

Assests	Level 1	Level 2	Level 3	Total
Hedging derivative instruments for risk management				
- Foreign currency exchange contracts	-	4.932.506	-	4.932.506
Total assets	-	**4.932.506**	-	**4.932.506**

As of 31 December 2014, the Group does not have any financial assets and liabilities followed by the fair value.

NOTE 34 - SUBSEQUENT EVENTS

The loan utilised for the acquisition of YKM A.Ş. and YKM Pazarlama A.Ş. by the subsidiary of the Group, BBM, on 7 September 2012 and is amounting to TRY 44.3 Million as at the balance sheet date is determined to be terminated on 9 March 2015.

The establishment of Beymen İç ve Dış Ticaret A.Ş., where the subsidiary of the Group, Beymen is the only shareholder, is completed and registered on the Trade Gazette on 3 February 2015.

……………………