

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD FROM
1 JANUARY TO 30 SEPTEMBER 2018**

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2018**

TABLE OF CONTENTS	PAGES
CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS	1 - 3
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	4
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY	5
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW	6-7
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS	8 - 43
NOTE 1 GROUP'S ORGANIZATION AND NATURE OF ACTIVITIES	8-9
NOTE 2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS	9-16
NOTE 3 SEGMENT REPORTING	16-18
NOTE 4 CASH AND CASH EQUIVALENTS	18
NOTE 5 FINANCIAL LIABILITIES	19-21
NOTE 6 DERIVATIVE FINANCIAL INSTRUMENTS	22
NOTE 7 TRADE RECEIVABLES AND PAYABLES	23-24
NOTE 8 INVENTORIES	25
NOTE 9 INVESTMENT PROPERTIES	26-27
NOTE 10 PROPERTY, PLANT AND EQUIPMENT	27-28
NOTE 11 INTANGIBLE ASSETS	29-30
NOTE 12 GOODWILL	30
NOTE 13 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	31-32
NOTE 14 COMMITMENTS	33
NOTE 15 EQUITY	34-36
NOTE 16 REVENUE AND COST OF SALES	37
NOTE 17 OTHER OPERATING INCOME/(EXPENSES)	37
NOTE 18 FINANCIAL INCOME/(EXPENSES)	38
NOTE 19 EARNING/(LOSS) PER SHARE	38
NOTE 20 RELATED PARTY DISCLOSURES	39-40
NOTE 21 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS	41-43
NOTE 22 SUBSEQUENT EVENTS	43

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS
AS AT 30 SEPTEMBER 2018 AND 31 DECEMBER 2017**

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

	Notes	Unaudited 30 September 2018	Audited 31 December 2017
ASSETS			
Current assets		2.427.913.955	2.252.346.162
Cash and cash equivalents	4	191.555.519	356.896.837
Trade receivables		390.943.183	366.257.607
- <i>Trade receivables from related parties</i>	7 and 20	54.588.186	54.202.835
- <i>Trade receivables from third parties</i>	7	336.354.997	312.054.772
Other receivables		14.545.469	16.021.620
- <i>Other receivables from related parties</i>	20	-	4.057.556
- <i>Other receivables from third parties</i>		14.545.469	11.964.064
Inventories	8	1.489.560.704	1.256.687.460
Prepaid expenses		113.409.676	51.173.196
- <i>Prepaid expenses to third parties</i>		113.409.676	51.173.196
Derivative instruments		55.794.733	52.226.406
- <i>Derivative instruments used for hedging</i>	6	55.794.733	52.226.406
Other current assets		172.104.671	145.078.558
- <i>Other current assets from related parties</i>		172.104.671	145.078.558
Current assets for sale		-	8.004.478
Non-current assets		2.331.749.588	2.314.146.981
Financial investments		104.891	104.891
Trade receivables		5.167.204	6.511.521
- <i>Trade receivables from third parties</i>	7	5.167.204	6.511.521
Other receivables		2.546.527	1.887.594
- <i>Other receivables from third parties</i>		2.546.527	1.887.594
Investments accounted for using the equity method		2.073.336	2.001.302
Investment properties	9	36.643.643	34.265.000
Property and equipment	10	417.768.623	410.252.415
- <i>Lands</i>		48.883.306	48.883.306
- <i>Land improvements</i>		447.600	465.666
- <i>Buildings</i>		45.396.797	46.243.884
- <i>Machinery and equipment</i>		10.921.345	9.370.136
- <i>Vehicles</i>		288.061	77.314
- <i>Furniture and fixtures</i>		137.174.684	137.861.716
- <i>Leasehold improvements</i>		169.184.388	164.576.446
- <i>Construction in progress</i>		5.472.442	2.773.947
Intangible assets		1.621.874.819	1.645.958.668
- <i>Goodwill</i>	12	797.708.560	797.708.560
- <i>Rights</i>		2.508.503	375.167
- <i>Brands</i>		473.224.395	473.224.395
- <i>Computer licenses</i>		20.267.215	17.705.256
- <i>Capitalized development costs</i>		6.462.737	-
- <i>Other intangible assets</i>		321.703.409	356.945.290
Prepaid expenses		18.744.396	15.397.681
- <i>Prepaid expenses to third parties</i>		18.744.396	15.397.681
Deferred tax assets		25.973.988	33.232.448
Derivative instruments		196.399.267	160.082.567
- <i>Derivative instruments used for hedging</i>	6	196.399.267	160.082.567
Other non-current assets		4.452.894	4.452.894
- <i>Other non-current assets from third parties</i>		4.452.894	4.452.894
TOTAL ASSETS		4.759.663.543	4.566.493.143

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

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS
AS AT 30 SEPTEMBER 2018 AND 31 DECEMBER 2017**

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

	Notes	Unaudited 30 September 2018	Audited 31 December 2017
LIABILITIES			
Current liabilities		3.259.456.523	2.482.630.321
Short-term financial liabilities		65.188.258	162.455.889
<i>Short term financial liabilities to third parties</i>		<i>65.188.258</i>	<i>162.455.889</i>
- <i>Bank borrowings</i>	5	65.188.258	162.455.889
Current portion of long-term financial liabilities		861.347.976	574.540.507
<i>Current portion of long term financial liabilities to third parties</i>		<i>861.347.976</i>	<i>574.540.507</i>
- <i>Bank borrowings</i>	5	853.258.042	560.450.912
- <i>Finance lease liabilities</i>	5	8.089.934	14.089.595
Other financial liabilities		55.962.764	3.873.241
- <i>Other financial liabilities</i>		55.962.764	3.873.241
Trade payables		1.809.029.208	1.391.321.147
- <i>Trade payables to related parties</i>	7 and 20	25.198.953	21.295.548
- <i>Trade payables to third parties</i>	7	1.783.830.255	1.370.025.599
Payables related to employee benefits		61.558.329	52.828.212
Other payables		5.253.769	6.247.885
- <i>Other payables to related parties</i>	20	2.102.543	700.000
- <i>Other payables to third parties</i>		3.151.226	5.547.885
Deferred revenue		204.088.384	189.547.341
- <i>Deferred revenue to third parties</i>		204.088.384	189.547.341
Corporate tax payable		32.475.217	2.261.072
Short term provisions		90.526.347	73.662.930
- <i>Short term provisions for employee benefits</i>	13	27.610.066	22.510.807
- <i>Other short term provisions</i>	13	62.916.281	51.152.123
Other current liabilities		74.026.271	25.892.097
- <i>Other current liabilities to third parties</i>		74.026.271	25.892.097
Non-current liabilities		2.339.729.108	2.061.074.982
Long term financial liabilities		1.866.177.686	1.595.119.106
<i>Long term financial liabilities to third parties</i>		<i>1.866.177.686</i>	<i>1.595.119.106</i>
- <i>Bank borrowings</i>	5	1.864.762.439	1.591.629.705
- <i>Finance lease liabilities</i>	5	1.415.247	3.489.401
Trade payables		41.963.790	37.310.367
- <i>Trade payables to third parties</i>	7	41.963.790	37.310.367
Other payables		181.116.479	175.208.527
- <i>Other payables to related parties</i>	20	175.000.000	175.000.000
- <i>Other payables to third parties</i>		6.116.479	208.527
Long term provisions		49.744.720	45.782.522
- <i>Long term provisions for employee benefits</i>		49.744.720	45.782.522
Deferred revenue		26.934.390	27.455.102
- <i>Deferred revenue to third parties</i>		26.934.390	27.455.102
Deferred tax liability		171.232.744	172.223.944
Other long term liabilities		2.559.299	7.975.414
- <i>Other long term liabilities to third parties</i>		2.559.299	7.975.414
TOTAL LIABILITIES		5.599.185.631	4.543.705.303

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

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS
AS AT 30 SEPTEMBER 2018 AND 31 DECEMBER 2017**

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

	Notes	Unaudited 30 September 2018	Audited 31 December 2017
EQUITY		(839.522.088)	22.787.840
Equity attributable to parent		(842.482.550)	20.766.494
Paid-in share capital	15	257.700.000	257.700.000
Adjustments to share capital	15	56.061.369	56.061.369
Share premium	15	565.433	565.433
Other comprehensive income/(expenses) not to be reclassified to profit or loss		(30.377.353)	(25.888.544)
- <i>Gain/(loss) on revaluation and re-measurement</i>	15	7.446.333	8.392.742
- <i>Actuarial gain/(loss) arising from employee benefits</i>		(37.823.686)	(34.281.286)
Other comprehensive income/(expenses) to be reclassified to profit or loss		(722.770)	(873.116)
- <i>Currency translation differences</i>		(722.770)	(873.116)
Impact of business combinations of entities under common control	15	(316.555.195)	(316.555.195)
Restricted reserves	15	33.451.107	33.451.107
- <i>Profit from sales of participation shares or property that will be added to share capital</i>		22.983.739	22.983.739
- <i>Legal reserves</i>		10.467.368	10.467.368
Retained earnings		14.136.249	310.957.323
Net loss for the period		(856.741.390)	(294.651.883)
Non-controlling interest		2.960.462	2.021.346
TOTAL LIABILITIES		4.759.663.543	4.566.493.143

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

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME FOR THE PERIODS ENDED
30 SEPTEMBER 2018 AND 2017**

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

	Notes	Unaudited 1 January - 30 September 2018	Unaudited 1 July - 30 September 2018	Unaudited 1 January - 30 September 2017	Unaudited 1 July - 30 September 2017
INCOME OR LOSS					
Revenue	16	3.794.906.464	1.332.982.439	2.908.717.490	998.750.047
Cost of sales (-)	16	(2.197.327.124)	(766.534.093)	(1.760.250.018)	(614.057.297)
GROSS PROFIT		1.597.579.340	566.448.346	1.148.467.472	384.692.750
General administrative expenses (-)		(262.689.947)	(82.182.983)	(216.660.635)	(79.817.308)
Marketing expenses (-)		(1.118.225.103)	(386.765.017)	(907.229.078)	(310.563.881)
Research and development expenses (-)		(9.930.011)	(4.437.560)	(2.336.417)	(717.979)
Other operating income	17	271.495.380	110.425.651	148.648.768	40.780.970
Other operating expenses (-)	17	(304.052.891)	(152.774.941)	(117.126.536)	(31.398.655)
OPERATING PROFIT/(LOSS)		174.176.768	50.713.496	53.763.574	2.975.897
Income from investing activities		2.491.877	31.349	856.816	21.489
Expenses from investing activities (-)		(4.549.334)	(5.313)	(1.318.019)	(591.771)
Share of profit of investments accounted for using the equity method		72.034	-	(7.318)	(6.794)
OPERATING PROFIT/(LOSS) BEFORE FINANCIAL INCOME/(EXPENSES)		172.191.345	50.739.532	53.295.053	2.398.821
Financial income	18	156.693.617	95.979.156	147.040.444	33.735.509
Financial expenses (-)	18	(1.141.942.809)	(652.437.454)	(478.959.793)	(151.213.741)
LOSS BEFORE TAX FROM CONTINUED OPERATIONS		(813.057.847)	(505.718.766)	(278.624.296)	(115.079.411)
Corporate tax expense (-)		(34.490.283)	(12.801.774)	(21.756.539)	(8.571.812)
Deferred tax income/(expense)		(8.031.619)	4.264.788	16.786.987	2.149.210
LOSS FROM CONTINUED OPERATIONS		(855.579.749)	(514.255.752)	(283.593.848)	(121.502.013)
NET LOSS FOR THE PERIOD		(855.579.749)	(514.255.752)	(283.593.848)	(121.502.013)
Loss for the period attributable to					
Non-controlling interest		1.161.641	402.355	586.317	182.279
Equity holders of the parent		(856.741.390)	(514.658.107)	(284.180.165)	(121.684.292)
Loss per share					
Loss per share from continued operations	19	(3,32)	(2,00)	(4,09)	(1,30)
OTHER COMPREHENSIVE LOSS					
Items not to be classified to profit or loss					
Actuarial losses arising from employee benefits		(4.428.000)	(1.592.080)	(2.122.848)	442.426
Deferred tax income		885.600	318.417	424.570	(88.485)
Items to be classified to profit or loss					
Currency translation differences		150.346	116.408	4.215	5.094
OTHER COMPREHENSIVE LOSS		(3.392.054)	(1.157.255)	(1.694.063)	359.035
TOTAL COMPREHENSIVE LOSS		(858.971.803)	(515.413.007)	(285.287.911)	(121.142.978)
Total comprehensive loss attributable to:					
Non-controlling interests		1.161.641	402.355	586.317	182.279
Equity holders of the parent		(860.133.444)	(515.815.362)	(285.874.228)	(121.325.257)

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

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY FOR THE PERIODS ENDED
30 SEPTEMBER 2018 AND 2017**

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

	Paid in share capital	Share premium	Adjustments to share capital	Capital advances	Other comprehensive income/(expenses) to be reclassified to profit or loss	Other comprehensive income/(expenses) not to be reclassified to profit or loss		Impact of business combinations regarding common control transactions	Restricted reserves	Retained earnings/(accumulated loss)	Net loss for the period	Equity attributable to parent	Non-controlling interest	Total Equity
					Currency translation differences	Revaluation reserve of property plant and equipment	Actuarial loss							
Balance at 1 January 2017	57.700.000	138.375.874	56.061.369	-	(804.504)	13.424.284	(27.834.705)	(316.555.195)	33.451.107	648.117.051	(470.245.459)	131.689.822	1.313.689	133.003.511
Effects of restatements (Note 2.5)	-	-	-	-	-	-	-	-	-	(9.550.103)	(857.703)	(10.407.806)	-	(10.407.806)
Balance at 1 January 2017 (restated)	57.700.000	138.375.874	56.061.369	-	(804.504)	13.424.284	(27.834.705)	(316.555.195)	33.451.107	638.566.948	(471.103.162)	121.282.016	1.313.689	122.595.705
Transfers (Note 15)	-	(138.375.874)	-	-	-	(601.113)	-	-	-	(332.126.175)	471.103.162	-	-	-
Total comprehensive income/loss	-	-	-	-	4.215	-	(1.698.278)	-	-	-	(284.180.165)	(285.874.228)	586.317	(285.287.911)
Capital advances (Note 15)	200.000.000	-	-	-	-	-	-	-	-	-	-	200.000.000	-	200.000.000
Increase/(decrease) due to share-based payment transactions (Note 15)	-	565.433	-	-	-	-	-	-	-	-	-	565.433	-	565.433
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	(229.541)	(229.541)
The effect of subsidiary liquidation (Note 1)	-	-	-	-	(86.121)	-	-	-	-	86.121	-	-	-	-
Balance at 30 September 2017	257.700.000	565.433	56.061.369	-	(886.410)	12.823.171	(29.532.983)	(316.555.195)	33.451.107	306.526.894	(284.180.165)	35.973.221	1.670.465	37.643.686
Balance at 1 January 2018 (reported)	257.700.000	565.433	56.061.369	-	(873.116)	8.392.742	(34.281.286)	(316.555.195)	33.451.107	310.957.323	(294.651.883)	20.766.494	2.021.346	22.787.840
Accounting policy changes (Note 2.4)	-	-	-	-	-	-	-	-	-	(3.115.600)	-	(3.115.600)	-	(3.115.600)
Balance at 1 January 2018 (restated)	257.700.000	565.433	56.061.369	-	(873.116)	8.392.742	(34.281.286)	(316.555.195)	33.451.107	307.841.723	(294.651.883)	17.650.894	2.021.346	19.672.240
Transfers (Note 15)	-	-	-	-	-	(946.409)	-	-	-	(293.705.474)	294.651.883	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	(222.525)	(222.525)
Total comprehensive income/loss	-	-	-	-	150.346	-	(3.542.400)	-	-	-	(856.741.390)	(860.133.444)	1.161.641	(858.971.803)
Balance at 30 September 2018	257.700.000	565.433	56.061.369	-	(722.770)	7.446.333	(37.823.686)	(316.555.195)	33.451.107	14.136.249	(856.741.390)	(842.482.550)	2.960.462	(839.522.088)

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

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED 30 SEPTEMBER 2018 AND 2017**

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

	Notes	Unaudited 1 January - 30 September 2018	Unaudited 1 January - 30 September 2017
A.CASH FLOWS FROM OPERATING ACTIVITIES		407.023.660	(27.591.384)
Net loss for the period		(855.579.749)	(283.593.848)
Net profit/(loss) for the period from continuing operations		(855.579.749)	(283.593.848)
Adjustments to reconcile loss for the period		1.524.362.411	753.251.592
Depreciation and amortization	10,11	105.348.716	99.500.355
Adjustments related to impairment		25.483.377	22.789.086
<i>Adjustments related to impairment on receivables</i>	7	2.489.099	604.778
<i>Adjustments related to impairment on inventory</i>	8	22.574.489	19.552.540
<i>Adjustments related to other impairments</i>	10	419.789	2.631.768
Adjustments related to provisions		94.322.051	65.498.458
<i>Adjustments related to provision for employee benefits</i>		63.772.304	42.792.600
<i>Adjustments related to provision for litigation</i>	13	3.513.968	3.966.327
<i>Adjustments related to other provisions</i>	13	27.035.779	18.739.531
Adjustments related to interest (income)/expenses		310.981.016	281.097.086
<i>Adjustments related to interest expenses</i>		369.394.539	308.933.642
<i>Adjustments related to interest income</i>		(14.006.884)	(24.672.797)
<i>Rediscount expense</i>		3.219.722	3.866.538
<i>Rediscount income</i>		(47.626.361)	(7.030.297)
Adjustments related to unrealized gain/ (loss) foreign currency differences		876.128.114	31.103.713
Adjustments related to fair value gain/ (loss)		(204.229.452)	(325.760)
<i>Adjustments related to fair value changes of derivative instruments</i>	6	(204.229.452)	(325.760)
Adjustments related to the sale of non-current assets		(1.883.071)	461.203
<i>Adjustments to gain/loss on sales of property and equipment</i>		(683.430)	461.203
<i>Adjustments to gain/loss on sales of intangible assets</i>		(1.199.641)	-
Share of profit of investments accounted for using the equity method		(72.034)	7.318
<i>Adjustments related to undistributed profit of associates</i>		(72.034)	29
<i>Adjustments related to undistributed profit of joint ventures</i>		-	7.289
Adjustments related to the loss of associates, joint ventures and financial investments or changes in shares		3.940.528	-
Adjustments related to tax (income)/losses		42.521.902	4.969.552
Other adjustments		271.821.264	248.150.581
Changes in net working capital		78.447.842	(176.758.770)
Adjustments related to decrease/(increase) in inventories		(258.273.900)	(69.453.938)
Adjustments related to decrease/(increase) in trade receivables		(48.485.128)	(2.905.125)
<i>Decrease/(increase) in trade receivables from related parties</i>		(1.454.089)	(18.723.962)
<i>Decrease/(increase) in trade receivables from third parties</i>		(47.031.039)	15.818.837
Adjustments related to decrease (increase) in other receivables		1.196.455	(10.913.434)
<i>Decrease/(increase) in other receivables from related parties</i>		544.155	2.262.478
<i>Decrease/(increase) in other receivables from third parties</i>		652.300	(13.175.912)
Adjustments related to (increase)/decrease in prepaid expenses		(57.777.071)	(29.039.013)
Adjustments related to decrease/(increase) in deferred revenue		11.287.148	(4.543.658)
Adjustments related to increase/(decrease) in employee benefits payable		8.730.117	9.634.026
Adjustments related to increase/(decrease) in trade payables		405.997.037	(7.880.580)
<i>Increase/ (decrease) in trade payables to related parties</i>		4.439.091	3.518.326
<i>Increase/ (decrease) in trade payables to third parties</i>		401.557.946	(11.398.906)
Adjustments related to increase in other payables		81.238	(64.302.995)
<i>Increase / (decrease) in other payables to related parties</i>		-	(35.192.000)
<i>Increase / (decrease) in other payables to third parties</i>		81.238	(29.110.995)
Adjustments related to increase / (decrease) in working capital		15.691.946	2.645.947
<i>Increase / decrease in other assets related to operations</i>		(27.026.113)	(16.588.924)
<i>Increase / decrease in other liabilities related to operations</i>		42.718.059	19.234.871
Rent payments		(270.107.966)	(260.213.025)
Rent income		2.401.131	1.408.267
Employee benefits paid		(62.709.930)	(39.146.169)
Payments for other provisions	13	(5.563.945)	(1.284.117)
Other cash (outflows)/inflows		(4.226.134)	(21.255.315)

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

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED 30 SEPTEMBER 2018 AND 2017**

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

	Notes	Unaudited 1 January - 30 September 2018	Unaudited 1 January - 30 September 2017
B. CASH FLOWS FROM INVESTING ACTIVITIES		(83.253.843)	(75.523.324)
Cash inflows from share sales or capital			
decrease of associates and/ or joint ventures		4.063.950	-
Cash outflows from purchases of tangible and intangible assets		(89.443.236)	(77.996.012)
<i>Purchases of property and equipment</i>	10	(68.378.229)	(68.132.050)
<i>Purchases of intangible assets</i>	11	(21.065.007)	(9.863.962)
Proceeds from disposal of property, equipment and intangible assets		2.125.443	2.472.688
<i>Proceeds from disposal of property and equipment</i>		925.802	2.472.688
<i>Proceeds from disposal of intangible assets</i>		1.199.641	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		(489.261.481)	45.038.858
Interest paid		(372.526.783)	(297.875.678)
Interest received		14.006.884	24.672.797
Cash inflows from issue of shares		-	200.000.000
Proceeds from financial liabilities		749.455.534	1.201.375.945
<i>Proceeds from bank borrowings</i>		657.768.807	1.153.594.832
<i>Proceeds from factoring transactions</i>		86.665.838	39.688.200
<i>Proceeds from other financial liabilities</i>		5.020.889	8.092.913
Payment of financial liabilities		(1.049.235.389)	(1.491.423.906)
<i>Cash outflows due to the payments of bank borrowings</i>		(1.002.044.384)	(1.178.067.357)
<i>Cash outflows due to the payments of factoring liabilities</i>		(34.576.315)	(198.956.760)
<i>Cash outflows due to the payments of issued financial debt liabilities</i>		-	(110.000.000)
<i>Disposal related to other financial liabilities payments</i>		(12.614.690)	(4.399.789)
Cash inflows from derivaritive instruments	6	164.344.425	-
Dividends paid		(222.525)	(229.541)
Increase in other payables to related parties		4.916.373	407.953.808
Cash inflows from issue of shares or other equity instruments		-	565.433
NET INCREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF CURRENCY TRANSLATION DIFFERENCES (A+B+C)		(165.491.664)	(58.075.850)
D. EFFECTS OF CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS		150.346	4.215
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		(165.341.318)	(58.071.635)
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	356.896.837	187.633.837
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	4	191.555.519	129.562.202

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

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

NOTE 1 - GROUP’S ORGANIZATION AND NATURE OF ACTIVITIES

Boyner Perakende ve Tekstil Yatırımları A.Ş. (the “Company” or “Boyner Perakende”) incorporated by Boyner family with the registry of the Articles of Association dated 14 January 1952, published in the Trade Registry Gazette on 26 January 1952. The title of the Company formerly named as “Altınyıldız Mensucat ve Konfeksiyon Fabrikaları A.Ş.” is changed as “Boyner Perakende ve Tekstil Yatırımları A.Ş.” in accordance with the decision of the Board of Directors dated 27 January 2014, the approval of Capital Markets Board (“CMB”) and the Republic of Turkey the Ministry of Customs and Trade on 10 April 2014. The ultimate parent of the Company as at 30 September 2018 and 31 December 2017 is Boyner Holding. The Company is registered to CMB and 15% of its shares 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 table below sets out the subsidiaries fully consolidated, the proportion of ownership interest and the effective interest of the Group in these subsidiaries as of 30 September 2018 and 31 December 2017. The Company together with its consolidated subsidiaries will be referred to as the “Group” hereafter.

Subsidiary	Country of registration	Nature of business	30 September 2018 Effective ownership (%)	31 December 2017 Effective ownership (%)
AY Marka Mağazacılık A.Ş. (“AY Marka”)	Turkey	Retail Operations	100,00	100,00
Boyner Büyük Mağazacılık A.Ş. (“BBM”)	Turkey	Retail Operations	100,00	100,00
Beymen Mağazacılık A.Ş. (“Beymen”)	Turkey	Retail Operations	100,00	100,00
Altınyıldız Tekstil ve Konfeksiyon A.Ş. (“AYTK”)	Turkey	Sales and Marketing of Textile Products	100,00	100,00
BOYP Corporation (*)	USA	Sales and Marketing of Textile Products	100,00	100,00
A&Y LLC	Dubai	Sales and Marketing of Textile Products	100,00	100,00
Nişantaşı Turistik İşletmeleri A.Ş. (“Nişantaşı Turistik”)	Turkey	Restaurant Operations	75,00	75,00
İzkar Giyim Ticaret ve Sanayi A.Ş. (“İzkar”)	Turkey	Retail Operations	74,60	74,60
Beymen İç ve Dış Ticaret (“Beymen İç ve Dış”)	Turkey	Export-Import	100,00	100,00

(*) The name of Altınyıldız Corporation has been changed as BOYP Corporation by the official decision taken on 9 November 2017.

As of 30 September 2018, the Group has retail space of 374.895 square meters (303.776 square meters of its own stores and 71.119 square meters of others) (31 December 2017: 371.879 square meters (298.999 square meters of its own stores, and 72.880 square meters of others)) and operates in 386 stores (304 own stores and 82 other) (31 December 2017: 381 stores (294 own stores and 87 other)).

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

NOTE 1 - GROUP’S ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

The Group’s subsidiary Beymen’s associates and joint ventures accounted for using the equity method and the rates of effective ownership as of 30 September 2018 and 31 December 2017 are as follows:

Associates	Country of registration	Nature of business	30 September 2018 Effective ownership (%)	31 December 2017 Effective ownership (%)
Christian Dior İstanbul Mağazacılık A.Ş. (“Christian Dior”) (*)	Turkey	Commerce	-	49,00
Christian Louboutin Mağazacılık A.Ş. (“Christian Louboutin”)	Turkey	Commerce	30,00	30,00

(*) The subsidiary contract between Beymen and Christian Dior has been ended as of 2 January 2018, the Group sold its 49% shares of Christian Dior with the amount of EUR 900.000 which is TRY 4.063.950.

The condensed interim consolidated financial statements as at 30 September 2018 have been approved and authorized for issue on 9 November 2018 by the Board of Directors.

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

The accompanying condensed interim consolidated financial statements are prepared in accordance with Communiqué Serial II, No: 14.1, “Principles of Financial Reporting in Capital Markets” (“the Communiqué”). The condensed interim consolidated financial statements are presented in accordance with “Announcement regarding with TAS Taxonomy” which was published on 2 June 2016 by Public Oversight Accounting and Auditing Standards Authority (“POAASA”) and the format and mandatory information recommended.

In accordance with the TAS 34, entities are allowed to prepare a complete or condensed set of interim financial statements. In this framework, the Group has preferred to prepare condensed consolidated financial statements in the interim periods. These interim consolidated financial statements should be read in conjunction with the consolidated financial statements prepared for the year ended 31 December 2017.

The Group and its subsidiaries registered in Turkey maintain 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 condensed interim 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.

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

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

2.1 Basis of presentation (Continued)

Going Concern Assumption

The condensed interim 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 30 September 2018, the total current liabilities of the Group exceed its total current assets by TRY 831.542.568 (31 December 2017: TRY 230.284.159). In addition, as of 30 September 2018, total equity of the Company is reversed to negative TRY 839.522.088 (31 December 2017: TRY 22.787.840 positive) due to current year losses and accumulated losses.

In accordance with the decision of Board of Directors dated 28 May 2018, it was decided to increase the capital by TRY 400 million in order to strengthen the financial structure of the Group, to improve the liquidity position and to establish a balance sheet structure to support sustainable and profitable growth. The application was made to the CMB on 26 June 2018 for the approval of the capital increase and the application was approved on 25 October 2018 with CMB's decision numbered 53/1232.

The condensed interim consolidated financial statements have been prepared assuming that the Group 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. In accordance with the provisional article of the communiqué published on 15 September 2018 related to the application of article 376 of Turkish Commercial Code ("TCC") numbered 6102, the Group has calculated its capital adequacy by excluding unrealized foreign exchange rate losses and as a result it has been concluded that there is not any matter regarding the capital inadequacy of the Group and the Group's shareholders' equity is approximately TRY42 million as of 30 September 2018. Considering that our application for capital increase amounting to TRY400 million has been approved by the CMB's decision dated 25 October 2018, it has been decided to carry out the evaluations within the framework of the article 376 of the Turkish Commercial Code as of the end of 2018 financial statements.

Additionally, the Group expects its profitability to increase in the last quarter of the year due to the effects of seasonality in the sector in which it operates and aims to reduce its costs within 2018 by purchasing and logistics efficiency plans and also anticipates to improve its current account ratio by transforming its short term liabilities into long term liabilities.

2.2 Seasonality of operations

The condensed interim consolidated financial statements may include the effects of the seasonal variations. Therefore, the results of business operations for the first nine months up to 30 September 2018 do not necessarily constitute an indicator for the results to be expected for the overall fiscal year.

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

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

2.3 Significant accounting estimates, assumptions and decisions

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

The condensed interim consolidated financial statements as at 30 September 2018 are prepared in accordance with the accounting policies that were used in the consolidated financial statements as at 31 December 2017 except for the adoption of new and amended TFRS interpretations effective as of 1 January 2018 which are summarized below.

2.4 Changes in accounting policies

New and amended International Financial Reporting Standards

The accounting policies adopted in preparation of the consolidated financial statements as at 30 September 2018 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 2018. The effects of these standards and interpretations on the Group’s financial position and operations are explained in the related sections.

a) *The new standards, amendments to published standards and interpretations effective applicable to 30 September 2018:*

- TFRS 9, “Financial instruments”
- TFRS 15, “Revenue from contracts with customers”
- Amendment to TFRS 15, “Revenue from contracts with customers”

The impact of these amendments on the financial position and performance of the Group has explained in the paragraphs below.

- Amendment to TAS 40, “Investment property”
- Amendments to TFRS 2, “Share based payments”
- Annual improvements 2014-2016;
- TFRIC 22, “Foreign currency transactions and advance consideration”

These amendments have no impact on the financial position and performance of the Group.

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

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

2.4 Changes in accounting policies (Continued)

b) The new standards, amendments and interpretations that are issued but not effective as at 30 September 2018:

Standards, amendments and interpretations that have been published as of the approval date of these condensed interim 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.

The following amendments and improvements are not expected to have a significant effect on the financial position and performance of the Group:

- Amendment to TFRS 9, “Financial instruments”
- Amendment to TAS 28, “Investments in associates and joint venture”
- TFRIC 23, “Uncertainty over income tax treatments”
- Annual improvements 2015-2017
- Amendments to TAS 19, “Employee benefits’ on plan amendment, curtailment or settlement”

The effects of the following standards on the financial position and performance of the Group are being evaluated by the Group management:

- TFRS 16 “Leases”

TFRS 9 “Financial instruments”

Financial investments

Classification and measurement

Group classified its financial assets in three categories; financial assets carried at amortized cost, financial assets carried at fair value through profit or loss, financial assets carried at fair value through other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date.

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

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

2.4 Changes in accounting policies (Continued)

(a) Financial assets carried at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded and which are not derivative instruments are measured at amortized cost. They are included in current assets, except for maturities more than 12 months after the balance sheet date. Those with maturities more than 12 months are classified as non-current assets. The Group’s financial assets carried at amortized cost comprise “trade receivables”, “other receivables” and “cash and cash equivalents” in the statement of financial position. In addition, with recourse factoring receivables classified in trade receivables are classified as financial assets carried at amortized cost since collection risk for those receivables are not transferred to counterparty.

Impairment

Group has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables carried at amortized cost, since they do not comprise of any significant finance component. In accordance with this method, if any provision provided to the trade receivables because of a specific events, Group measures expected credit loss from these receivables by the lifetime expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Group and its expectation based on the macroeconomic indications.

(b) Financial assets carried at fair value

Assets that are held by the management for collection of contractual cash flows and/or for selling the financial assets are measured at their fair value. If the management do not plan to dispose these assets in 12 months after the balance sheet date, they are classified as non-current assets. Group make a choice for the equity instruments during the initial recognition and elect profit or loss or other comprehensive income for the presentation of fair value gain and loss:

i) Financial assets carried at fair value through profit or loss

Financial assets carried at fair value through profit or loss comprise of “derivative instruments” in the statement of financial position. Derivative instruments are recognized as asset when the fair value of the instrument is positive, as liability when the fair value of the instrument is negative. Group’s financial instruments consist of currency swaps.

ii) Financial assets carried at fair value through other comprehensive income

Financial assets carried at fair value through other comprehensive income comprise of “financial assets” in the statement of financial position. When the financial assets carried at fair value through other comprehensive income are sold fair value gain or loss classified in other comprehensive income is classified to retained earnings.

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

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

2.4 Changes in accounting policies (Continued)

Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. Trade receivables net of 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. In accordance with TFRS 9, if any provision provided to the trade receivables as a result of a specific events, Group measures expected credit loss from these receivables by the lifetime expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Group and its expectation based on the macroeconomic indications. Change in the provision for expected credit loss is recognized in other operating income/(expense).

Transition to TFRS 9 “Financial instruments”

Group has applied TFRS 9 “Financial instruments”, which has replaced TAS 39 on the transition date, 1 January 2018. The amendments include the classification and measurement of financial assets and liabilities and the expected credit risk model which will replace incurred credit risk model. Effect of transition is accounted based on the simplified approach. In accordance with this method, Group recorded the cumulative effect related to the transition of TFRS 9 in retained earnings on the first application date. Therefore, prior year financial statements are not restated and these financial statements are presented in accordance with TAS 39.

Changes related to the classification of financial assets and liabilities are as follows and these changes in the classification do not result in changes in measurement of assets except for financial assets (*).

Financial assets	Original classification under TAS 39	New classification under TFRS 9
Cash and cash equivalents	Loans and receivables	Amortized cost
Trade and other receivables	Loans and receivables	Amortized cost
Derivative instruments	Fair value through statement of profit or loss	Fair value through statement of profit or loss
Financial assets (*)	Available for sale financial assets	Fair value through other comprehensive income

Financial liabilities	Original classification under TAS 39	New classification under TFRS 9
Borrowings	Amortized cost	Amortized cost
Financial lease liabilities	Amortized cost	Amortized cost
Factoring liabilities (**)	Amortized cost	Amortized cost
Trade and other payables	Amortized cost	Amortized cost

(*) Financial assets carried at cost due to the lack of fair value information in accordance with TAS 39 are carried at their fair values in accordance with TFRS 9.

(**) Factoring liabilities classified in financial liabilities are related to the liabilities as a result of “with recourse” factoring activities and classified as financial assets and liabilities accounted at amortized cost based on the business model of the Group.

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

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

2.4 Changes in accounting policies (Continued)

IFRS 15 “Revenue from contracts with customers”

In accordance with the transition of IFRS 15 “Revenue from contracts with customers” which has replaced TAS 18, Group started to defer its revenue related to the discount coupons given to customers as part of its campaign activities and record deferred revenue in the balance sheet.

Effect of transition is accounted based on the simplified approach. In accordance with this method, Group recorded the cumulative effect related to the transition of IFRS 15 in retained earnings on the first application date. Therefore, prior year financial statements are not restated and these financial statements are presented in accordance with TAS 18.

The effects of IFRS 9 and IFRS 15 on the consolidated financial statements as of 1 January 2018 are as follows:

	2018
Retained earnings - 1 January -	
calculated in accordance with TAS 39 and TAS 18	310.957.323
Deferred revenue - discount cheques given	(2.733.182)
Increase in provision for doubtful receivables (Note 7)	(1.261.176)
Tax effect	878.758
<hr/>	
Adjustments related to the changes in accounting policies	(3.115.600)
Retained earnings - 1 January -	
calculated in accordance with IFRS 9 and IFRS 15	307.841.723

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.

The Group’s 33,33% associate, Nile Bosphorus was carried at cost in prior periods. The Group decided that they do not have any significant influence over the investment based on the assessment made by the Group management as of 31 December 2017. As a result of the subsequent evaluations, the Group has provided provision for the investment amounting to TRY 5.472.508 as of 1 January 2015. In addition, the Group provided provision for the trade receivables amounting to TRY 3.252.007. As a result of these adjustments, provision provided for the investment of Nile Bosphorus amounting to TRY 5.472.508 and long term trade receivables amounting to TRY 3.252.007, and the retained earnings as of 31 December 2014 decreased by TRY 8.724.515 (31 December 2015: decreased by TRY 9.550.103, 31 December 2016: decreased by TRY 10.407.806), net profit of the period decreased by TRY 857.703 as of 31 December 2016 (31 December 2015: decreased by TRY 825.588).

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

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

2.5 Comparatives and restatement of prior periods’ financial statements (Continued)

	Previously reported 31 December 2016	Restated 31 December 2016	Difference
Trade receivables from related parties (long term)	4.935.298	-	(4.935.298)
Investments accounted for using the equity method	5.472.508	-	(5.472.508)
Retained earnings	648.117.051	638.566.948	(9.550.103)
Net loss for the period	(470.245.459)	(471.103.162)	(857.703)
Equity attributable to parent	131.689.822	121.282.016	(10.407.806)
Non-controlling interest	1.313.689	1.313.689	-
Total equity	133.003.511	122.595.705	(10.407.806)

NOTE 3 - 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 30 September 2018 and 2017 comprise the performance and the management of textile products and retail store 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 term difference, rediscount 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”.

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

NOTE 3 - SEGMENT REPORTING (Continued)

The segment analysis for the period ended 30 September 2018 is as follows:

1 January - 30 September 2018	Retail Operations	Textile	Undistributed	Elimination	Total
Revenue	3.668.692.591	176.944.425	25.326.870	(76.057.422)	3.794.906.464
Gross profit	1.562.578.985	36.267.602	21.251.260	(22.518.507)	1.597.579.340
Capital expenditures (based on balance sheet)	77.261.895	3.795.331	8.386.010	-	89.443.236
Depreciation and amortization expenses	74.720.440	2.991.784	27.636.492	-	105.348.716
Net income/(loss) for the period	42.840.047	(49.268.163)	(818.656.397)	(30.495.236)	(855.579.749)
30 September 2018	Retail Operations	Textile	Undistributed	Elimination	Total
Assets and liabilities					
Segment assets	4.229.467.365	338.902.972	2.221.098.804	(2.029.805.598)	4.759.663.543
Total assets	4.229.467.365	338.902.972	2.221.098.804	(2.029.805.598)	4.759.663.543
Segment liabilities	3.840.537.099	221.974.203	3.024.818.781	(1.488.144.452)	5.599.185.631
Total liabilities	3.840.537.099	221.974.203	3.024.818.781	(1.488.144.452)	5.599.185.631

The segment analysis for the periods ended 30 September 2017 and 31 December 2017 are as follows:

1 January - 30 September 2017	Retail Operations	Textile	Undistributed	Elimination	Total
Revenue	2.830.251.605	148.377.984	22.961.441	(92.873.540)	2.908.717.490
Gross profit	1.128.278.032	21.284.360	21.183.196	(22.278.116)	1.148.467.472
Capital expenditures (based on balance sheet)	72.380.947	4.741.087	873.978	-	77.996.012
Depreciation and amortization expenses	64.275.583	3.330.406	31.894.366	-	99.500.355
Net income/(loss) for the period	(10.001.410)	(26.033.373)	(217.698.637)	(29.860.428)	(283.593.848)
31 December 2017	Retail Operations	Textile	Undistributed	Elimination	Total
Assets and liabilities					
Segment assets	3.303.113.346	327.421.065	2.252.233.517	(1.316.274.785)	4.566.493.143
Total assets	3.303.113.346	327.421.065	2.252.233.517	(1.316.274.785)	4.566.493.143
Segment liabilities	2.950.014.064	158.394.552	2.217.429.003	(782.132.316)	4.543.705.303
Total liabilities	2.950.014.064	158.394.552	2.217.429.003	(782.132.316)	4.543.705.303

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

NOTE 3 - SEGMENT REPORTING (Continued)

The reconciliation of EBITDA as of 30 September 2018 and 2017 are as follows:

	1 January - 30 September 2018	1 January - 30 September 2017
Revenue	3.794.906.464	2.908.717.490
Gross profit	1.597.579.340	1.148.467.472
EBITDA	277.540.061	152.795.408
Adjustments:		
Reclassification in accordance with the format recommended by CMB	86.557.156	17.467.629
Foreign currency gains	(64.645.332)	(16.910.579)
Rediscount income	(103.771.595)	(52.610.572)
Term difference income	(34.901.998)	(17.597.533)
Foreign currency losses	158.779.443	25.854.229
Term difference expenses	70.679.690	36.201.466
Rediscount expense	60.416.948	42.530.618
Non-recurring (income)/expenses, per Group Management, net (*)		
Other non-recurring operational expenses	25.098.892	10.849.644
Adjusted EBITDA (*)	389.196.109	181.112.681

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

NOTE 4 - CASH AND CASH EQUIVALENTS

The details of the cash and cash equivalents as of 30 September 2018 and 31 December 2017 are as follows:

	30 September 2018	31 December 2017
Cash	7.879.801	10.973.283
Banks (*)	148.092.752	284.693.198
- Time deposit (**)	52.322.566	194.206.123
- Demand deposit (***)	95.770.186	90.487.075
Credit card receivables	30.632.700	54.783.401
Cheques given for collection	4.950.266	6.446.955
	191.555.519	356.896.837

(*) The Group has restricted cash amounting to TRY 48.508.148 as of 30 September 2018 (31 December 2017: TRY 93.880.520).

(**) The time deposits of the Group which consist of overnights, have interest rate of 23,97 % in average as of 30 September 2018 (31 December 2017: 14,10%).

(***) As of 30 September 2018, the pledge on the credit card receivables of the Group is amounting to TRY 13.984.105 (31 December 2017: TRY 17.447.014).

The total insurance coverage on cash and cash equivalents is amounting to TRY 75.400.000 as of 30 September 2018 (31 December 2017: TRY 75.400.000).

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

NOTE 5 - FINANCIAL LIABILITIES

Short-term financial liabilities

	30 September 2018	31 December 2017
Short-term bank borrowings	65.188.258	162.455.889
	65.188.258	162.455.889

Short-term portion of long term financial liabilities

	30 September 2018	31 December 2017
Short-term portion of long-term financial liabilities	853.258.042	560.450.912
Financial lease liabilities	8.089.934	14.089.595
	861.347.976	574.540.507

Long term financial liabilities

	30 September 2018	31 December 2017
Long-term bank borrowings	1.864.762.439	1.591.629.705
Financial lease liabilities	1.415.247	3.489.401
	1.866.177.686	1.595.119.106

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

30 September 2018

Currency	Maturity	Interest rate (%)	Short term	Long term
TRY borrowings	2018 - 2022	15,85 – 35,00	311.406.079	334.868.453
USD borrowings	2018 - 2022	Libor+4,75 - Libor+4,95	486.363.448	1.227.505.408
EUR borrowings	2018 - 2022	Libor+4,90 - Libor+6,25	120.676.773	302.388.578
			918.446.300	1.864.762.439

31 December 2017

Currency	Maturity	Interest rate (%)	Short term	Long term
TRY borrowings	2018 - 2022	15,85 - TR Libor+6,25	327.273.062	483.770.424
USD borrowings	2018 - 2022	Libor+4,75 - Libor+4,95	369.066.636	859.493.084
EUR borrowings	2018 - 2022	Libor+4,90 - Libor+6,25	26.567.103	248.366.197
			722.906.801	1.591.629.705

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

NOTE 5 - FINANCIAL LIABILITIES (Continued)

The redemption schedule of the financial liabilities as of 30 September 2018 and 31 December 2017 are as follows:

	30 September 2018	31 December 2017
To be paid in 1 year	918.446.300	722.906.801
2019 remaining	175.658.199	565.555.566
2020	984.668.125	541.025.142
2021 and after	704.436.115	485.048.997
	2.783.208.739	2.314.536.506

In relation to the bank loans elaborated as of 30 September 2018 above, there are mortgages given amounting to TRY 124.000.000 (31 December 2017: TRY 124.000.000). In addition, as declared at Public Disclosure Platform on 19 June 2015, ultimate parent of the Group, Boyner Holding pledged its shares in Boyner Perakende related to the loan received from Qatar National Bank.

The redemption schedule of the financial lease as of 30 September 2018 and 31 December 2017 are as follows:

	30 September 2018	31 December 2017
Total financial lease payments	10.888.053	19.359.947
Interest will be paid in upcoming years (-)	(1.382.872)	(1.780.951)
	9.505.181	17.578.996
Financial lease liabilities up to 1 year	8.089.934	14.089.595
Financial lease liabilities after 1 year	1.415.247	3.489.401
	9.505.181	17.578.996

As of 30 September 2018 and 31 December 2017 the summary of short-term financial lease liabilities in terms of foreign currency is as below:

	30 September 2018	31 December 2017
TRY	7.567.269	13.126.277
EUR	522.665	963.318
	8.089.934	14.089.595

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

NOTE 5 - FINANCIAL LIABILITIES (Continued)

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

	30 September 2018	31 December 2017
TRY	1.415.247	3.352.763
EUR	-	136.638
	1.415.247	3.489.401

Collateral bills amounting to EUR 76.222 and TRY 2.344.415 are given regarding to the financial leasing liabilities disclosed above (31 December 2017: EUR 222.607 ve TRY 1.368.677).

As of 30 September 2018 and 31 December 2017, the Group’s long-term bank borrowings are all floating-rate. Therefore it is expected that the carrying value of the financial liabilities that are calculated by effective interest rate method approximate to their fair values.

The reconciliation of net financial liabilities as of 30 September 2018 and 2017 are as follows:

	2018	2017
Opening balance - 31 December - Financial liabilities	2.335.988.743	2.411.746.594
Cash and cash equivalents	(356.896.837)	(187.633.837)
Derivative instruments	(212.308.973)	(129.243.033)
Opening balance - 31 December - Net financial liabilities	1.766.782.933	2.094.869.724
Cash flows from operating activities	(407.023.660)	27.591.384
Cash flows from investing activities	83.253.843	75.523.324
Interest paid	372.526.783	297.875.678
Interest received	(14.006.884)	(24.672.797)
Changes in derivative instruments	(204.229.452)	(325.760)
Cash flows from other financing activities	807.623.602	(573.860.094)
Closing balance - 30 September - Net financial liabilities	2.404.927.165	1.897.001.459
Cash and cash equivalents	191.555.519	129.562.202
Derivative instruments	252.194.000	129.568.793
Closing balance - 30 September - Financial liabilities	2.848.676.684	2.156.132.454
Opening balance - 31 December - Financial liabilities	2.335.988.743	2.411.746.594
Cash inflows from financial liabilities	749.455.534	1.201.375.945
Cash outflows from debt payments	(1.049.235.389)	(1.491.423.906)
Other	812.467.796	34.433.821
Closing balance - 30 September - Financial liabilities	2.848.676.684	2.156.132.454

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

NOTE 6 - DERIVATIVE FINANCIAL INSTRUMENTS

	30 September 2018	31 December 2017
Financial assets arising from swap transactions - short term (*)	55.794.733	52.226.406
Financial assets arising from swap transactions - long term (*)	196.399.267	160.082.567
	252.194.000	212.308.973

(*) The Group has swap contracts, related to foreign currency denominated loans, in order to hedge foreign exchange risk and interest risk as of 30 September 2018 and has converted floating interest rate loan to TRY by fixed rate with optional cross-currency swap transactions.

As of 30 September 2018, these swap instruments are carried at their fair values through the consolidated statement of profit or loss. As of 30 September 2018, the Group has swap instrument amounting to USD 237.927.181 and EUR 60.868.333 (TRY 1.848.296.752) for its loans.

Movement of derivative instruments are as follows:

	2018	2017
Opening balance - 1 January	212.308.973	129.243.033
The amount recognized in financial expenses	204.229.452	325.760
Derivative instruments disposal (*)	(164.344.425)	-
Closing balance - 30 September	252.194.000	129.568.793

(*) Disposals from derivative financial instruments are related to the cash inflows in 2018 from the sale of cross-currency swap transactions dated 17 November 2016 and 18 November 2016; and income amounting to TRY 164.344.425 is accounted under the financial expenses in the statement of income for the period ended 30 September 2018.

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables

	30 September 2018	31 December 2017
Trade receivables	233.758.891	211.544.267
Notes receivables (*)	166.293.153	159.008.601
Less: Provision for doubtful receivables	(52.719.891)	(49.019.622)
Less: Rediscount expense	(10.977.156)	(9.478.474)
Total trade receivables from third parties	336.354.997	312.054.772
Trade receivables from related parties	57.722.182	56.268.093
Less: Rediscount expense	(3.133.996)	(2.065.258)
Total trade receivables from related parties (Note 20)	54.588.186	54.202.835
Total short-term trade receivables	390.943.183	366.257.607

(*) TRY 45.362.764 of the notes receivables was transferred to the factoring institutions (31 December 2017: TRY 3.873.241). The factoring debts related to this transaction have been classified under other financial liabilities.

Long-term trade receivables

	30 September 2018	31 December 2017
Trade receivables from third parties	2.306.536	2.306.536
Notes receivables	4.488.756	5.627.867
Less: Rediscount expense	(1.628.088)	(1.422.882)
Total long-term trade receivables	5.167.204	6.511.521

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 textile company's sales is 177 days (31 December 2017: 195 days). The average collection period of trade receivables from retail companies sales is 54 days (31 December 2017: 54 days).

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

NOTE 7 - TRADE RECEIVABLES AND PAYABLES (Continued)

The movement of provision for doubtful receivables as of 30 September 2018 and 2017 are as follows:

	2018	2017
Opening balance - 1 January (According to TMS 39)	49.019.622	54.651.099
Retained earning effect (Note 2.4)	1.261.176	-
Opening balance - 1 January (According to TFRS 9)	50.280.798	54.651.099
Provisions	2.489.099	604.778
Collection of receivables during the current period	(50.006)	(22.566)
Write-offs in the current period (*)	-	(7.869.451)
Closing balance - 30 September	52.719.891	47.363.860

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

Short term trade payables

	30 September 2018	31 December 2017
Trade payables	947.457.199	682.152.810
Notes payables (**)	923.802.333	728.211.391
Less: Rediscount income	(87.429.277)	(40.338.602)
Total trade payables to third parties	1.783.830.255	1.370.025.599
Trade payables to related parties	26.461.027	22.021.936
Less: Rediscount income	(1.262.074)	(726.388)
Total trade payables to related parties (Note 20)	25.198.953	21.295.548
Total trade payables	1.809.029.208	1.391.321.147

The average payment period of trade payables is 178 days for textile company (31 December 2017: 192 days). The average payment period of trade payables for retail companies' purchases is 145 days (31 December 2017: 146 days).

Long term trade payables

	30 September 2018	31 December 2017
Notes payable (**)	41.963.790	37.310.367
Total long term trade payables	41.963.790	37.310.367

(**) The Group has purchased the factory land and buildings which belong to Akiş Gayrimenkul Yatırım Ortaklığı A.Ş for USD 24.691.930. The payable amount which has a maturity of 5 years, has classified as short term and long term payables amounting to TRY 32.047.066 (31 December 2017: TRY 20.533.450) and TRY 41.907.763 (31 December 2017: TRY 37.254.219) respectively.

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

NOTE 8 - INVENTORIES

The detail of inventories as of 30 September 2018 and 31 December 2017 are as follows:

	30 September 2018	31 December 2017
Raw materials and supplies	36.156.625	33.899.008
Semi-finished goods	34.957.925	26.074.960
Finished goods	44.549.765	35.810.575
Trade goods	1.402.110.177	1.162.664.156
Goods in transit	37.850.914	37.440.042
Auxiliary materials	8.225.068	7.282.248
Real estates (*)	7.192.894	12.424.646
	1.571.043.368	1.315.595.635
Less: Provision for impairment on inventories	(81.482.664)	(58.908.175)
	1.489.560.704	1.256.687.460

(*) 1 store that Group have started to receive rent income are classified to investment property from real estates inventories as of 30 September 2018 (Note 9).

The total insurance coverage on inventories is amounting as TRY 2.005.559.400 as at 30 September 2018 (31 December 2017: TRY 1.790.124.601).

The movement of the impairment on inventories during the periods ended as of 30 September 2018 and 2017 are as follows:

	2018	2017
Opening balance - 1 January	(58.908.175)	(43.334.645)
Changes during the period	(22.574.489)	(19.552.540)
Closing balance - 30 September	(81.482.664)	(62.887.185)

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

NOTE 9 - INVESTMENT PROPERTIES

	1 January 2018	Additions	Disposals (-)	Transfers (*)	Change in fair value	30 September 2018
Fair value						
Store at Unkapanı	175.000	-	-	-	-	175.000
Istwest stores	34.090.000	-	-	2.378.643	-	36.468.643
	34.265.000	-	-	2.378.643	-	36.643.643

	1 January 2017	Additions	Disposals (-)	Transfers (*)	Change in fair value	30 September 2018
Fair value						
Store at Unkapanı	175.000	-	-	-	-	175.000
Istwest stores	34.090.000	-	-	-	-	34.090.000
	34.265.000	-	-	-	-	34.265.000

(*) 1 store that Group have started to receive rent income are classified to investment property from real estates inventories as of 30 September 2018 (Note 9).

As of 30 September 2018, rental income from investment properties amounted to TRY 1.230.110 (1 January - 30 September 2017: TRY 577.853).

The fair value of land and buildings

As of 30 September 2018 and 31 December 2017, the fair value of land and buildings of the Group was determined by an independent expert. Increase in the revaluation amount has been recognized as other operating income in the statement of comprehensive income.

The table below analyses non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

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

	30 September 2018		
	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			
Store at Unkapanı	-	175.000	-
Istwest stores	-	36.468.643	-
	-	36.643.643	-

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

NOTE 9 - INVESTMENT PROPERTIES (Continued)

	31 December 2017		
	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			
Store at Unkapanı	-	175.000	-
Istwest stores	-	34.090.000	-
	-	34.265.000	-

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 10 - PROPERTY PLANT AND EQUIPMENT

	1 January 2018	Additions	Disposals (-) (*)	Transfers	30 September 2018
Cost					
Land	48.883.306	-	-	-	48.883.306
Land improvements	481.736	-	-	-	481.736
Buildings	48.062.546	-	-	-	48.062.546
Plant, machinery and equipment	112.181.933	2.303.348	(495.971)	862.689	114.851.999
Furniture and fixtures	265.155.223	25.175.914	(271.997)	1.487.705	291.546.845
Motor vehicles	943.914	291.852	(461.002)	-	774.764
Leasehold improvements	321.231.930	33.828.751	(913.027)	1.558.455	355.706.109
Construction in progress	2.773.947	6.778.364	-	(4.079.869)	5.472.442
	799.714.535	68.378.229	(2.141.997)	(171.020)	865.779.747
Accumulated depreciation (-)					
Land improvements	(16.070)	(18.066)	-	-	(34.136)
Buildings	(1.818.662)	(847.087)	-	-	(2.665.749)
Plant, machinery and equipment	(102.811.797)	(1.614.774)	495.917	-	(103.930.654)
Furniture and fixtures	(127.293.507)	(27.291.225)	212.571	-	(154.372.161)
Motor vehicles	(866.600)	(28.785)	408.682	-	(486.703)
Leasehold improvements	(156.655.484)	(30.228.903)	362.666	-	(186.521.721)
	(389.462.120)	(60.028.840)	1.479.836	-	(448.011.124)
Net book value	410.252.415				417.768.623

(*) Disposals include the impairment on leasehold improvements of closed stores amounting to TRY 419.789 during the period 1 January - 30 September 2018.

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

NOTE 10 - PROPERTY PLANT AND EQUIPMENT (Continued)

	1 January 2017	Additions	Disposals (-)(*)	Transfers	30 September 2017
Cost					
Land	48.883.306	-	-	-	48.883.306
Land improvements	214.432	-	-	-	214.432
Buildings	44.573.895	-	(608.399)	4.378.437	48.343.933
Plant, machinery and equipment	115.836.518	300.246	(4.105.388)	-	112.031.376
Furniture and fixtures	205.594.252	27.664.700	(1.053.292)	5.232.765	237.438.425
Motor vehicles	945.389	-	-	-	945.389
Leasehold improvements	264.660.591	23.034.613	(5.890.114)	9.905.856	291.710.946
Construction in progress	9.171.911	17.132.491	(498.617)	(19.679.946)	6.125.839
	689.880.294	68.132.050	(12.155.810)	(162.888)	745.693.646
Accumulated depreciation (-)					
Land improvements	(893)	(8.041)	-	-	(8.934)
Buildings	(749.009)	(791.825)	4.056	-	(1.536.778)
Plant, machinery and equipment	(104.116.431)	(2.276.734)	4.105.388	-	(102.287.777)
Furniture and fixtures	(93.542.614)	(25.204.757)	476.969	-	(118.270.402)
Motor vehicles	(767.768)	(79.983)	-	-	(847.751)
Leasehold improvements	(123.323.832)	(26.676.818)	2.003.738	-	(147.996.912)
	(322.500.547)	(55.038.158)	6.590.151	-	(370.948.554)
Net book value	367.379.747				374.745.092

(*) Disposals include the impairment on leasehold improvements of closed stores amounting to TRY 2.631.768 during the period 1 January - 30 September 2017.

As of 30 September 2018, depreciation expense amounting to TRY 52.711.204 (30 September 2017: TRY 47.082.151) has been charged in marketing expenses, TRY 2.580.501 (30 September 2017: TRY 3.116.135) has been charged in cost of sales, TRY 4.578.678 (30 September: TRY 4.822.640) in general and administrative expenses and TRY 158.457 (30 September 2017: TRY 17.232) in research and development expenses.

As of 30 September 2018 total amount of insurance on tangible assets TRY 1.882.385.185 (31 December 2017: TRY 1.210.183.322).

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

NOTE 11 - INTANGIBLE ASSETS

	1 January 2018	Additions	Disposals(-)	Transfers	30 September 2018
Cost					
Licences	17.245.251	3.019.253	-	171.020	20.435.525
Brands	473.224.395	-	-	-	473.224.395
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
Capitalized development cost	-	6.462.737	-	-	6.462.737
Computer licenses	40.420.452	11.583.017	-	-	52.003.468
	1.103.140.103	21.065.007	-	171.020	1.124.376.130
Accumulated amortization (-)					
Licences	(16.870.084)	(1.056.938)	-	-	(17.927.022)
Favorable rent contract	(118.823.521)	(19.443.849)	-	-	(138.267.370)
Franchise agreements	(73.036.834)	(11.961.682)	-	-	(84.998.516)
Customer network	(23.444.360)	(3.836.350)	-	-	(27.280.710)
Computer licenses	(22.715.196)	(9.021.057)	-	-	(31.736.253)
	(254.889.995)	(45.319.876)	-	-	(300.209.871)
Net book value	848.250.108				824.166.259
	1 January 2017	Additions	Disposals (-)	Transfers	30 September2017
Cost					
Licences	14.879.312	2.208.309	-	4.493	17.092.114
Brands	473.224.395	-	-	-	473.224.395
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	30.308.070	7.655.653	-	158.394	38.122.117
	1.090.661.782	9.863.962	-	162.887	1.100.688.631
Accumulated amortization (-)					
Licences	(14.430.575)	(2.192.042)	-	-	(16.622.617)
Favorable rent contract	(92.898.389)	(19.443.849)	-	-	(112.342.238)
Franchise agreements	(57.087.924)	(11.961.682)	-	-	(69.049.606)
Customer network	(18.329.227)	(3.836.350)	-	-	(22.165.577)
Computer licenses	(13.207.153)	(7.028.274)	-	-	(20.235.427)
	(195.953.268)	(44.462.197)	-	-	(240.415.465)
Net book value	894.708.514				860.273.166

As of 30 September 2018 depreciation expense amounting to TRY 31.626.025 (30 September 2017: TRY 32.852.712) has been charged in marketing expenses, TRY 13.643.556 (30 September 2017: TRY 11.585.361) has been charged in general and administrative expenses, TRY 7.723 (30 September 2017: TRY 10.014) in cost of sales and TRY 42.572 (30 September 2017: TRY 14.110) in research and development expenses.

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

NOTE 11 - INTANGIBLE ASSETS (Continued)

Brands

Brands consist of Beymen, Boyner, Beymen Club and Beymen Business brands that are accounted by business combinations. Furthermore, brands also include T-Box brand which is purchased from Boyner Holding on 1 October 2010, Divarese brand purchased from Vincenzo Schilacci and Step SRL on 15 July 2011 and George Hogg brand purchased from Boyner Holding on 10 February 2016.

As a result of the impairment tests performed based on the assumptions explained at the accompanying notes to the consolidated financial statements as of 31 December 2017, no impairment has been identified. As of 30 September 2018, the Group did not perform impairment test since there were no indicators of impairment.

NOTE 12 - GOODWILL

The Group applied acquisition accounting for business acquisitions. Subsidiaries which had been purchased or sold are fully consolidated from the date on which the control is transferred to the Group, and they are deconsolidated from the date that control ceases. As of 30 September 2018 and 31 December 2017, the breakdown of goodwill are as follows:

	30 September 2018	31 December 2017
Beymen share purchase	452.982.078	452.982.078
BBM share purchase	343.147.354	343.147.354
İzkar share purchase	1.579.128	1.579.128
	797.708.560	797.708.560

As a result of goodwill impairment test by using the assumptions which had been explained in the explanatory notes of the consolidated financial statements as of 31 December 2017, no impairment has been identified. As of 30 September 2018, no impairment tests performed since there were no indicators of impairment.

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

NOTE 13 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short term provision for employee benefits

As of 30 September 2018 short term provision for employee benefits amounting to TRY 27.610.066 (31 December 2017: TRY 22.510.807) mainly consists of provision for unused vacation rights and bonus provision.

Other short term provisions

Other short term provision as of 30 September 2018 and 31 December 2017 are as follows:

	30 September 2018	31 December 2017
Provision for sales returns and price differences	23.469.524	22.539.046
Provision for litigations	12.880.437	11.024.480
Other (*)	26.566.320	17.588.597
	62.916.281	51.152.123

(*) As of 30 September 2018, a significant portion of other provisions consists of USD denominated exit costs which will be paid to Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. for the closing of Wepublic store.

The movement of other short term provisions is as follows:

	1 January 2018	Additions	Provisions paid	30 September 2018
Provision for sales returns and price differences	22.539.046	21.459.347	(20.528.869)	23.469.524
Provision for litigations	11.024.480	3.513.968	(1.658.011)	12.880.437
Other	17.588.597	12.883.657	(3.905.934)	26.566.320
Total	51.152.123	37.856.972	(26.092.814)	62.916.281

	1 January 2017	Additions	Provisions paid	30 September 2017
Provision for sales returns and price differences	17.394.899	15.144.851	(13.353.582)	19.186.168
Provision for litigation	7.258.895	3.966.327	(1.108.096)	10.117.126
Other	176.021	3.594.680	(176.021)	3.594.680
Total	24.829.815	22.705.858	(14.637.699)	32.897.974

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

NOTE 13 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Contingent assets and liabilities

Guarantees, pledges and mortgages

Guarantees, pledges and mortgages “GPM” given by the Company as of 30 September 2018 and 31 December 2017 are as follows:

	30 September 2018	31 December 2017
A. Total amount of GPMs which the Company provided on behalf of its own legal entity	96.459	115.100
B. Total amount of GPMs which the Company provided on behalf of associates that are included to full consolidation	371.915.960	337.100.694
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	-	-
	372.012.419	337.215.794

The details of GPM are given as of 30 September 2018 and 31 December 2017 are as follows:

Currency	30 September 2018		31 December 2017	
	Original Amount	TRY Equivalent	Original Amount	TRY Equivalent
TRY	260.571.074	260.571.074	283.002.606	283.002.606
EUR	8.382.346	58.261.494	7.499.992	33.866.212
USD	8.877.809	53.179.851	5.394.357	20.346.976
		372.012.419		337.215.794

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

NOTE 14 - COMMITMENTS

As of 30 September 2018 and 31 December 2017, annual lease liabilities that are non-cancellable over one year maturity and not included in the Group's consolidated financial statements are as follows:

Operating vehicles lease commitments:

	30 September 2018	31 December 2017
Payable within 1 year	5.605.734	3.934.597
Payable within 1 - 5 years	8.821.218	6.220.945
	14.426.952	10.155.542

Operating stores leasing commitments:

	30 September 2018	31 December 2017
Payable within 1 year	334.492.051	219.799.247
Payable within 1 - 5 years	43.950.713	30.774.304
Longer than 5 years	6.672.901	4.944.581
	385.115.665	255.518.132

Operating office leasing commitments:

	30 September 2018	31 December 2017
Payable within 1 year	3.518.635	3.426.871
	3.518.635	3.426.871

The commitments of the Group related to export operations as of 30 September 2018 amounting to USD 5.261.083 (31 December 2017: USD 375.576).

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

NOTE 15 - EQUITY

The shareholders and the shareholding structure of the Company as at 30 September 2018 and 31 December 2017 are as follows:

	30 September 2018		31 December 2017	
	Share	Amount (TRY)	Share	Amount (TRY)
Boyner Holding	%42,80	110.293.940	42,80%	110.293.940
Mayhoola for Investments LLC (*)	%42,68	109.975.820	42,68%	109.975.820
Other shareholders and free float (**)	%14,52	37.430.240	14,52%	37.430.240
Paid-in capital (***)	%100,00	257.700.000	100,00%	257.700.000
Inflation adjustment difference in share capital		56.061.369		56.061.369
Total adjusted capital		313.761.369		313.761.369

(*) In accordance with the approval of CMB dated 1 June 2015 and numbered 14/674, the share capital increased from TRY 40.000.000 to TRY 57.700.000, and issued shares with nominal value of TRY 17.700.000 are sold to Mayhoola for Investments LLC for TRY 885.000.000 in total, with private placement of TRY 50 for each share whose nominal value is amounting to TRY 1 each through Istanbul Stock Exchange Wholesale Market. In consequence of private placement transaction, share premium amounting to TRY 867.300.000 accounted under “Share premium”.

Share premiums amounting to TRY 728.924.126 has transferred to accumulated losses as of 5 April 2016. Remaining share premiums amounting to TRY 138.375.874 has been offset with accumulated losses in accordance with the General Assembly resolution in 2 May 2017.

Mayhoola for Investments LLC entered into a share sale and purchase agreement for the acquisition of Boyner Perakende ve Tekstil Yatırımları A.Ş. shares from Boyner Holding A.Ş. for a nominal value of TRY 6.924.000 amounting to 12% of the total issued share capital of Boyner Perakende, at a total consideration of TRY 25 per share in two tranches. Following the completion of the first tranche, Mayhoola's shareholding in Boyner Perakende has been increased from approximately 30.68% to approximately 35.38% and Boyner Holding's shareholding has been decreased from approximately 54.8% to 50.1%. As a result of share purchase in two tranches, Mayhoola's share is approximately 42.68% and Boyner Holding's share is approximately %42.80.

(**) Represents shareholding less than 10%.

(***) The Prospectus regarding the increase of the registered capital from TRY 57.700.000 to TRY 257.700.000 by 346.62% via rights issue within the authorized capital ceiling of TRY 500.000.000 has been approved by CMB on 7 July 2017.

The newly issued shares representing the TRY 200.000.000 share capital increase proceeded TRY 114.580.165 in the rights issue during the subscription period between 12 July 2017 - 11 September 2017 and the remaining unsubscribed new shares which were offered for sale in the Primary Market of Borsa Istanbul for 2 business days during 14 - 15 September 2017 proceeded TRY 633.456 which totaled in the amount of TRY 115.213.621. In consequence of sale in the primary market, share premium amounting to TRY 565.433 accounted under “Share premium”. An amount of TRY 85.351.820. was set-off from the proceeds that equal to the cash received from one of our main shareholders Mayhoola For Investment LLC in advance of the share capital increase corresponding to Mayhoola's rights issue contribution.

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

NOTE 15 - EQUITY (Continued)

As of 30 September 2018, the registered share capital of the Company is TRY 257.700.000 (31 December 2017: TRY 257.700.000) and the Company’s share capital consists of 25.770.000.000 issued shares with TRY 0,01 nominal value each (31 December 2017: 25.770.000.000).

Capital reserves

- 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 5% 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:

	30 September 2018	31 December 2017
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.

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

NOTE 15 - EQUITY (Continued)

Revaluation funds

The details of revaluation funds as of 30 September 2018 and 31 December 2017 are as follows:

	30 September 2018	31 December 2017
Revaluation fund related to the land on which the factory plant was located	78.824.810	78.824.810
Revaluation fund 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 the sale of investment property	(15.722.470)	(15.722.470)
Effect of deferred tax	(3.943.025)	(3.943.025)
Transfers to accumulated losses	(67.435.452)	(66.489.043)
	7.446.333	8.392.742

The movement of revaluation funds as of 30 September 2018 and 31 December 2017 are as follows:

	2018	2017
Opening balance - 1 January	8.392.742	13.424.284
Transfers to accumulated losses (*)	(946.409)	(601.113)
Closing balance - 30 September	7.446.333	12.823.171

(*) Revenue is recognized when the risk and benefits of the real estate inventories are transferred to buyer as explained in Note 8. Revaluation fund associated with income recognized during the periods ended 30 September 2018 and 2017 are transferred to accumulated loss.

Impact of business combinations under common control

The detail of impact of business combinations under common control as of 30 September 2018 and 31 December 2017 are as follows:

	30 September 2018	31 December 2017
Impact of the acquisition of BBM	(48.574.625)	(48.574.625)
Impact of the acquisition of Beymen	(202.724.939)	(202.724.939)
Merge impact of BBA	7.478.755	7.478.755
Acquisition of AYTK shares from non-controlling interest	(12.105.679)	(12.105.679)
Acquisition of YKM shares from non-controlling interest	(56.878.535)	(56.878.535)
Impact of the acquisition of Nişantaşı Turistik	(3.750.172)	(3.750.172)
	(316.555.195)	(316.555.195)

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

NOTE 16 - REVENUE AND COST OF SALES

Sales

	1 January - 30 September 2018	1 July- 30 September 2018	1 January - 30 September 2017	1 July - 30 September 2017
Domestic sales	4.550.772.429	1.590.110.640	3.441.514.426	1.141.411.317
Export sales	48.232.458	19.789.206	35.199.515	15.020.419
Other sales	9.416.603	3.170.000	7.187.025	2.414.656
Real estate sales	4.819.802	-	2.796.040	1.089.109
Sales returns (-)	(550.225.263)	(182.896.193)	(395.450.445)	(113.115.902)
Sales discounts (-)	(268.109.565)	(97.191.214)	(182.529.071)	(48.069.552)
	3.794.906.464	1.332.982.439	2.908.717.490	998.750.047

Cost of sales

	1 January - 30 September 2018	1 July- 30 September 2018	1 January - 30 September 2017	1 July - 30 September 2017
Cost of trade goods sold	(2.046.474.555)	(717.421.532)	(1.625.608.107)	(568.574.377)
Cost of finished goods sold	(147.999.463)	(49.112.561)	(132.829.756)	(44.726.003)
Cost of services given and real estate sold	(2.853.106)	-	(1.812.155)	(756.917)
	(2.197.327.124)	(766.534.093)	(1.760.250.018)	(614.057.297)

NOTE 17 - OTHER OPERATING INCOME / (EXPENSE)

Other operating income

	1 January - 30 September 2018	1 July- 30 September 2018	1 January - 30 September 2017	1 July - 30 September 2017
Rediscount income	103.771.595	33.425.457	52.610.572	8.475.419
Foreign exchange income	64.645.332	43.640.886	16.910.579	4.534.107
Term difference income from sales	34.901.998	15.291.395	17.597.533	5.945.498
Store investment contribution income	34.107.542	6.529.910	35.064.206	14.342.685
Royalty income	8.423.809	1.558.683	6.329.467	1.267.241
Other	25.645.104	9.979.320	20.136.411	6.216.020
	271.495.380	110.425.651	148.648.768	40.780.970

Other operating expenses

	1 January - 30 September 2018	1 July - 30 September 2018	1 January - 30 September 2017	1 July - 30 September 2017
Foreign exchange losses	158.779.443	104.488.732	25.854.229	7.895.519
Term difference expenses from purchases	70.679.690	34.402.933	36.201.466	15.801.747
Rediscount expenses	60.416.948	8.543.123	42.530.618	4.730.692
Other	14.176.810	5.340.153	12.540.223	2.970.697
	304.052.891	152.774.941	117.126.536	31.398.655

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

NOTE 18 - FINANCIAL INCOME / (EXPENSES)

Financial income

	1 January - 30 September 2018	1 July - 30 September 2018	1 January - 30 September 2017	1 July - 30 September 2017
Foreign exchange gains	140.145.452	88.860.172	119.392.499	26.524.708
Interest income	14.006.884	5.659.757	24.672.797	6.125.300
Other	2.541.281	1.459.227	2.975.148	1.085.501
	156.693.617	95.979.156	147.040.444	33.735.509

Financial expenses

	1 January - 30 September 2018	1 July - 30 September 2018	1 January - 30 September 2017	1 July - 30 September 2017
Foreign currency losses	730.466.144	500.519.898	127.931.874	21.741.887
Interest expenses arising from bank borrowings	304.509.807	108.181.332	252.482.926	100.326.972
Credit card early collection interest	53.240.972	19.702.736	31.949.156	10.910.893
Term difference expenses	16.984.992	6.934.449	18.989.715	5.031.679
Factoring expenses	6.294.295	5.359.123	13.394.206	1.885.913
Interest expenses arising from bills and bonds	-	-	11.936.984	3.988.547
Other	30.446.599	11.739.916	22.274.932	7.327.850
	1.141.942.809	652.437.454	478.959.793	151.213.741

NOTE 19 - EARNING / (LOSS) PER SHARE

Earnings profit per share are calculated by dividing the net loss for the period by the weighted average number of Boyner Perakende shares during the period.

	1 January - 30 September 2018	1 January - 30 September 2017
Loss for the current period (TRY)	(856.741.390)	(284.180.165)
Weighted average number of shares (*)	257.700.000	69.508.118
Loss per share of the Company (TRY)	(3,32)	(4,09)

(*) Per share of TRY 1 nominal value.

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

NOTE 20 - RELATED PARTY DISCLOSURES

- a) Receivables due from related parties as of 30 September 2018 and 31 December 2017 are as follows:

	30 September 2018		31 December 2017	
	Trade	Other	Trade	Other
Receivables from shareholders				
Boyner Holding A.Ş.	2.037	-	32.016	2.574.360
Receivables from associates				
Christian Dior İstanbul Mağazacılık A.Ş.	-	-	4.890	-
Receivables from other related parties				
Fırsat Elektronik Sanayi ve Ticaret A.Ş.	45.856.547	-	40.146.784	1.483.196
BR Mağazacılık A.Ş.	8.515.528	-	13.705.820	-
BNR Teknoloji A.Ş.	163.077	-	264.706	-
Bassae Bireysel Ürünler Satış ve Pazarlama A.Ş.	41.950	-	40.359	-
Alsis Sigorta Acentalığı A.Ş.	9.047	-	8.260	-
Total	54.588.186	-	54.202.835	4.057.556

- b) Payables due to related parties as of 30 September 2018 and 31 December 2017 are as follows:

	30 September 2018		31 December 2017	
	Trade	Other	Trade	Other
Payables to shareholders				
Boyner Holding A.Ş. (*)	742.894	175.242.000	2.338.000	175.000.000
Payables to associates				
Christian Louboutin Mağazacılık A.Ş.	183.366	-	955.970	-
Christian Dior İstanbul Mağazacılık A.Ş.	-	-	7.739	-
Payables to other related parties				
BR Mağazacılık A.Ş.	14.905.671	-	15.363.748	-
Alsis Sigorta Acentalığı A.Ş.	7.371.156	-	2.245.218	-
BNR Teknoloji A.Ş.	1.956.927	-	358.538	-
Boğaziçi Yatçılık ve Turizm Yatırımları A.Ş.	33.574	-	19.276	-
Lom Renkli Giyim Ürünleri Pazarlama A.Ş.	5.264	-	4.672	-
Fırsat Elektronik Sanayi ve Ticaret A.Ş.	101	1.860.543	2.387	700.000
	25.198.953	177.102.543	21.295.548	175.700.000

- (*) As at 31 December 2017, the maturity of other payable is 5 years. However, in accordance with the decision of Board of Directors dated 28 May 2018, payables due to Boyner Holding will be used for the capital increase of the Company. The interest rate is determined based on the average monthly TRY denominated borrowing rate of the Company.

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

NOTE 20 - RELATED PARTY DISCLOSURES (Continued)

c) Purchase and sale of goods and services to related parties as of 30 September 2018 and 2017 are as follows:

Purchases	30 September 2018			30 September 2017		
	Goods	Services	Interest/ Other	Goods	Services	Interest/ Other
Shareholders						
Boyner Holding A.Ş.	1.021	3.052.971	26.153.725	4.336	2.064.605	8.118.870
Associates						
Christian Louboutin Mağazacılık A.Ş.	562.041	-	-	324.138	-	-
Other related parties						
BR Mağazacılık A.Ş.	30.579.025	299.542	-	25.421.218	309.573	339.601
Fırsat Elektronik A.Ş.	-	197.556	-	-	335.312	136.000
Boğaziçi Yatçılık ve Turizm Yatırımları ve Ticaret A.Ş.	-	174.949	-	-	180.070	38.060
Alsis Sigorta Acentalığı A.Ş.	-	11.555.698	13.664	-	9.280.710	-
BNR Teknoloji A.Ş.	-	11.335.045	-	-	7.539.277	-
	31.142.087	26.615.761	26.167.389	25.749.692	19.709.547	8.632.531

Sales	30 September 2018			30 September 2017		
	Goods	Services	Interest/ Other	Goods	Services	Interest/ Other
Shareholders						
Boyner Holding A.Ş.	7.142	126.000	5.410.138	7.818	108.000	15.396.844
Associates						
Christian Dior İstanbul Mağazacılık A.Ş.	-	-	-	1.485	353.071	-
Christian Louboutin Mağazacılık A.Ş.	-	294.168	-	-	249.696	-
Other related parties						
BR Mağazacılık A.Ş.	19.969.498	2.808.831	3.082.346	20.570.300	2.384.691	2.547.513
Fırsat Teknoloji A.Ş.	38.058.347	1.619.543	2.921.251	50.284.030	1.242.802	1.370.694
Alsis Sigorta Acentalığı A.Ş.	-	69.000	-	-	98.688	-
BNR Teknoloji A.Ş.	1.201	458.889	-	-	577.689	-
Boğaziçi Yatçılık ve Turizm Yatırımları A.Ş.	2.000	-	-	-	-	-
	58.038.188	5.376.431	11.413.735	70.863.633	5.014.637	19.315.051

d) The top management team comprises of board members, general manager and deputy general managers. As of 30 September 2018, the Group has provided remuneration amounting to TRY 54.894.610 to the top executives (1 January - 30 September 2017: TRY 44.198.646). The Group has no post-employment benefits nor share-based payment for the top management.

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018

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

NOTE 21 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Foreign currency risk

Foreign currency position as of 30 September 2018 and 31 December 2017 is set out in the table below:

	30 September 2018					31 December 2017				
	TRY Equivalent (Functional currency)	USD	EUR	GBP	CHF	TRY Equivalent (Functional currency)	USD	EUR	GBP	CHF
1. Trade receivables	12.850.485	1.271.143	747.509	5.190	-	31.880.183	6.644.685	1.488.977	18.428	-
2a. Monetary financial assets, (cash and banks account included)	36.097.079	4.605.040	1.213.821	8.678	1.232	55.132.247	4.340.580	8.574.100	8.594	-
2b. Non-monetary financial assets	2.831.662	36.001	376.377	-	-	2.625.507	39.240	547.126	1.368	-
3. Other	34.515.014	2.287.744	2.938.785	49.302	-	20.053.681	1.700.138	2.956.226	57.495	-
4. Current assets (1+2+3)	86.294.240	8.199.928	5.276.492	63.170	1.232	109.691.613	12.724.643	13.566.429	85.885	-
5. Trade receivables	-	-	-	-	-	-	-	-	-	-
6a. Monetary financial assets	486.535	-	70.000	-	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	316.085	-	70.000	-	-
7. Other	249.602	35.723	5.124	-	-	154.109	34.723	5.124	-	-
8. Non-current assets (5+6+7)	736.137	35.723	75.124	-	-	470.194	34.723	75.124	-	-
9. Total assets (4+8)	87.030.377	8.235.651	5.351.616	63.170	1.232	110.161.807	12.759.366	13.641.553	85.885	-
10. Trade payables	244.515.388	19.093.104	18.637.162	52.563	32.000	195.491.728	25.922.255	21.597.856	37.489	-
11. Financial liabilities	607.562.886	81.193.190	17.437.513	-	-	396.597.057	97.846.347	6.096.871	-	-
12a. Other monetary liabilities	34.411.373	3.811.655	1.654.218	10.394	-	17.462.989	4.415.666	178.837	-	-
12b. Other non-monetary liabilities	13.559.658	1.596.792	574.615	1	112	16.321.926	1.307.496	2.517.705	4.229	-
13. Current liabilities (10+11+12)	900.049.305	105.694.741	38.303.508	62.958	32.112	625.873.700	129.491.764	30.391.269	41.718	-
14. Trade payables	41.907.763	6.996.054	-	-	-	37.254.219	9.876.77	-	-	-
15. Financial liabilities	1.529.893.986	204.918.936	43.506.018	-	-	1.107.995.918	227.867.410	55.033.293	-	-
16a. Other monetary liabilities	5.883.542	228.000	649.993	-	-	-	-	-	-	-
16b. Other non-monetary liabilities	216.426	36.130	-	-	-	136.279	36.130	-	-	-
17. Non-current liabilities (14+15+16)	1.577.901.717	212.179.120	44.156.011	-	-	1.145.386.416	237.780.318	55.033.293	-	-
18. Total liabilities (13+17)	2.477.951.022	317.873.861	82.459.519	62.958	32.112	1.771.260.116	367.272.082	85.424.562	41.718	-
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)	(2.390.920.645)	(309.638.210)	(77.107.903)	212	(30.880)	(1.661.098.309)	(354.512.716)	(71.783.009)	44.167	-
21. Net foreign currency asset / (liability) / (position of monetary items (IFRS 7.B23) (=1+2a+3+5+6a-10-11-12a-14-15-16a))	(2.379.976.223)	(308.041.289)	(76.909.665)	213	(30.768)	(1.647.581.691)	(353.208.330)	(69.882.430)	47.028	-
22. Fair value of derivative instruments used in foreign currency hedge	252.194.000	21.214.891	18.000.513	-	-	212.308.973	42.607.062	11.427.172	-	-
23. Partial total amount of foreign currency assets hedged	-	-	-	-	-	-	-	-	-	-
24. Partial total amount of foreign currency liabilities hedged (Note 6)	1.848.296.752	237.927.181	60.868.333	-	-	1.503.493.020	325.713.757	60.886.568	-	-
25. Export	45.423.977	4.671.162	21.613.961	173.210	-	50.095.726	7.061.101	5.508.078	65.148	-
26. Import	649.679.487	20.984.360	101.824.913	1.140.416	21.134	652.382.138	31.314.516	128.699.008	1.402.942	44.724

**CONVENIENCE TRANSLATION INTO
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

**NOTE 21 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)**

Foreign currency risk (Continued)

Foreign currency position as of 30 September 2018 and 31 December 2017 is set out in the table below:

	30 September 2018			
	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	(185.479.480)	185.479.480	-	-
2- USD hedged from risks (-)	(34.604.254)	34.604.254	-	-
3- USD net effect (1+2)	(220.083.734)	220.083.734	-	-
Change of EUR against TRY by 10%:				
4- EUR net assets / liabilities	(53.593.847)	53.593.847	-	-
5- EUR hedged from risks (-)	-	-	-	-
6- EUR net effect (4+5)	(53.593.847)	53.593.847	-	-
Change of other currencies against TRY by 10%:işmesi halinde				
7- Other currencies net assets / liabilities	(18.737)	18.737	-	-
8- Other currencies hedged from risks (-)	-	-	-	-
9- Other currencies net effect (7+8)	(18.737)	18.737	-	-
TOTAL (3+6+9)	(273.696.318)	273.696.318	-	-
	31 December 2017			
	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	(133.718.651)	133.718.651	-	-
2- USD hedged from risks (-)	56.961.771	(115.103.182)	-	-
3- USD net effect (1+2)	(76.756.880)	18.615.469	-	-
Change of EUR against TRY by 10%:				
4- EUR net assets / liabilities	(32.413.618)	32.413.618	-	-
5- EUR hedged from risks (-)	28.569.589	(28.569.589)	-	-
6- EUR net effect (4+5)	(3.844.029)	3.844.029	-	-
Change of other currencies against TRY by 10%:				
7- Other currencies net assets / liabilities	22.438	(22.438)	-	-
8- Other currencies hedged from risks (-)	-	-	-	-
9- Other currencies net effect (7+8)	22.438	(22.438)	-	-
TOTAL (3+6+9)	(80.578.471)	22.437.060	-	-

**CONVENIENCE TRANSLATION INTO
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018**

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

**NOTE 21 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)**

Fair value disclosure

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)

30 September 2018

Assets	Level 1	Level 2	Level 3	Total
Hedging derivative instruments for risk management				
- Foreign currency exchange contracts	-	252.194.000	-	252.194.000
Total assets	-	252.194.000	-	252.194.000

31 December 2017

Assets	Level 1	Level 2	Level 3	Total
Hedging derivative instruments for risk management				
- Foreign currency exchange contracts (*)	-	212.308.973	-	212.308.973
Total assets	-	212.308.973	-	212.308.973

(*) The details of foreign exchange contracts are given in Note 6.

NOTE 22 - SUBSEQUENT EVENTS

Our application to the Capital Markets Board of Turkey (CMB) dated 26 June 2018 for Group's issued share capital increase from TRY 257,700,000 to the amount of TRY 657.700.000 by 155.22% via rights issue within the limit of the registered equity ceiling TRY 1,000,000,000 which will be exercised as TRY 1 nominal value share having a price of TRY 1 has been approved by the CMB provided that Boyner Holding A.Ş.'s net receivable amount from Group will be deducted from Boyner Holding's capital contribution amount and was announced in the weekly Bulletin no. 2018/47 dated 25 October 2018.