

2014
ANNUAL REPORT
SUSTAINABILITY REPORT

*ready for
the future*

BOYNER RETAIL AND
TEXTILE INVESTMENTS



BOYNERGRUP



BOYNERGRUP

BOYNER RETAIL AND TEXTILE INVESTMENTS

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PREFACE

Boyer Group, the leading retail company in Turkey, is the owner of Boyner Retail and Textile Investments, the biggest public non-food and non-electronic retail company in Turkey. Boyner Group improved its effectiveness and efficiency with its new structure which was finalized in 2014 and maintained its aggressive growth with the strong operational and financial performance presented in 2014. On the other hand, 2014 was a year of preparation for the future for Boyner Group with new projects.

Retail industry is going through a significant change and transition both in Turkey and around the world due to the changing customer needs and developing technology. These developments expand the borders of the service area provided to the our customers. In reality, customer relations and services never cease. "Unconditional Customer Happiness", the registered brand of Boyner Group, reaches our customers in different forms every passing day.

As Boyner Group, we worked very hard in 2014 with all our brands and employees to provide the best service to our customers from all channels and enable their unconditional happiness; we focused on getting ready for the future. We are presenting our 2014 Annual and Sustainability Report with our customers, employees, shareholders and business partners as a brief summary of this intense effort and spirit we have created.

With the inertia we gained from our high performance in 2014,

We are ready for the future!



management





Cem Boyner
Chairman

Message from the Chairman

Our mission and effort to ensure "Unconditional Customer Happiness" will always remain, even though our tools and methods to ensure it might change year by year. Because we know deep in our hearts that, what gives us the courage and determination to invest, think big; inspires and ultimately enables us to grow, is the relationship and the connection we build with each and every one of our customers.

2014 was a year in which the global economic growth was challenged, interest and inflation rates around the world stayed continuously low. Significant reduction in raw material prices, primarily oil prices, in the second half of the year, and appreciation of USD against almost every currency in the world were the most significant trends in 2014.

In Turkey, on the other hand, we were exposed to impacts of the massive fluctuations observed in interest and exchange rates throughout the year, as well as of the measures introduced by the banking regulators. In 2014, during which we had two elections, inflation and interest rate remained high most of the year and Turkish Lira depreciated substantially. On the bright side, the most significant development of the year was the decrease in the current account deficit by 19 billion USD, regressing the total current account deficit to 45 billion USD. Nevertheless, foreign investors' interest remained relatively low throughout the fiscal period leading to poor capital inflow. Consequently, economic growth could not display the desired momentum. By the end of the year, GNP growth is expected to register as 3%.

Following 2013, as we restructured Boyner Group, 2014 was a year in which we improved our operational and financial performance; and realized number of new projects to get us "ready for the future". In 2014, our consolidated revenue reached TRY 3.16 billion. This growth rate, which is quite higher than the industry average, is promising further future growth. Our earnings before interest, taxes, depreciation and amortization (EBITDA) excluding one-off income and expense items is registered as TRY 300 million and our consolidated EBITDA margin increased to 9.5%.

We focused on operational efficiency in 2014. The considerable portion of the 28% rise in our EBITDA stems from the increase in sales from our existing stores. Besides cooperative sales increase, we expanded our sales area with very selective new store openings. On the other hand, we doubled our 'online' sales compared to the previous year, and strengthened our leading role in "new age" retail.

We believe this high performance is the result of strong solo performances of Boyner Group companies and our dedication to corporate governance. Boyner Büyük Mağazacılık, which completed its merging process with YKM last year, reached 1.7 Billion TL with an increase of 18% in sales, with a gross margin of 38%. Beymen closed the year with a 37% increase in its revenue due to impact of Beymen Zorlu Center Store, opened by the end of 2013 as the biggest store in its category. Aymarka increased its EBITDA margin approximately 3 points, in addition to a 26% sales growth, setting an example for the sector. Altinyıldız, focusing on profitable growth, managed to grow its sales by 27% in line with its 2014 objectives.

We worked on major projects in 2014 which -we believe- will transform the rules of retail not only in Boyner Group but also in Turkey. To reflect our "Unconditional Customer Happiness" approach to our customers' unique lifestyle and choices, we accelerated our analytical marketing work. We have built up the number of our unique customers to 15.3 million by the end of 2014 from last year's 13.5 million. We are taking big steps towards omnichannel retailing, where our customers will have flawless experience from all channels of all our companies. We made technological investments, initiated projects in logistics and operations for this purpose. In order to improve our operational efficiency, we finalized the pilot studies of "Supply Chain Optimization" project aiming to optimize sourcing in all our group companies.

2015 arrives with a couple of issues which are interpreted to have adverse impacts. They include geopolitical problems around Turkey, stagnation in regions like Europe and Japan, Euro zone issues regenerated due to developments in Greece and the expected rise in interest rates by FED. Yet, there is also a positive development like falling oil prices which might generate significant opportunities for Turkey, an energy importing country. With the impact of these, we are expecting the current account deficit, inflation and interest rates to regress, and economic growth to be realized above the previous year's figure.

With a good public financial governance, decreasing current account deficit, strong financial sector, extremely dynamic real sector, along with its young and entrepreneurial population, we are expecting Turkish economy to experience a year without any major problems. We believe in the potential and future of our country as always, and will continue to invest.

2015 and beyond will be exciting and vigorous years as we will harvest the preparations made in 2014 and present numerous innovations to our customers. In 2015, considering the efficiency of our existing stores, we project that our sales, gross profit and EBITDA performances will increasingly grow. In 2015 we will also realize the payment of our shares we purchased from CVCI in 2013, as scheduled. We will be sharing with our investors and the public by midyear our final decision on different models we developed for financing.

As Boyner Group, we are very enthusiastic about the transformation and developments triggered by technological improvements. Nevertheless as a group, we are well aware of the fact that we are using these

as media for our core value: "Unconditional Customer Happiness"... We keep getting to know our customers better with the analytic work of Customer Strategies Center. We officially launched our new smart shopping platform named Hopi to retail sector by the end of 2014. Hopi which was built upon the customer data will not only be new and unique for Turkey but also for the world. Hopi, a coalition of brands, will be introduced to our customers in 2015. The new invention for shopping, Hopi, is designed to be a crucial shopping companion for our customers. We believe that, Hopi shall also constitute an incomparable channel for member companies including our group companies to reach customers and generate opportunities.

As of 2014, we have been launching a new business model we name 'All-Line Retailing', which combines on-line, mobile and physical channels and together or separately offering flawless service to our customers. With 'All-Line' approach that we established via significant improvements in our technological and operational infrastructure; we will maintain and strengthen our pioneer position in the world of retail in the future.

Boyner Group has extremely high targets, and makes no compromise from its values while reaching these objectives. Our employees named Boyner Group as one of the "Great Places to Work" in Turkey in two consecutive years. Our leaders and teams were granted various awards in different areas. We will continue to support more than 10 thousand Boyner Group employees who work with passion, courage, determination, strong will, and motivation for innovation; and to develop leaders among them. In 2015, we will continue to recruit some of Turkey's and even the World's best talents like we did in 2014 and strengthen our team which will lead our way to the future.

In 2014, we continued to work on workplace democracy and equality not only within Boyner Group but we also extended our approach to our suppliers. You can find our social and environmental sustainability performance in our Sustainability Report as we did last year,

Our mission and effort to ensure "Unconditional Customer Happiness" will always remain, even though our tools and methods to ensure it might change year by year, Because we know deep in our hearts that, what gives us the courage and determination to invest, think big; inspires and ultimately enables us to grow, is the relationship and the connection we build with each and every one of our customers. This is the main reason Boyner Group considers itself in "making customers happy" business rather than in retail business, We have always trusted our customers, and we will always continue to do so.

I would like to extend my gratitude to our customers, employees, shareholders and business partners for Boyner Group's success and high performance in 2014. 2015 will be a year when we will further increase our performance and velocity. We expect 2015 to be an incredible year in which we continue offering the best and the most diverse products and services for our customers and our country.

Members of the Board of Directors

HASAN CEM BOYNER

Chairman of the Board of Directors

After graduating from Bogazici University with a degree in Business Administration in 1978, Cem Boyner started his career in Altinyıldız, the family owned enterprise. He served as the Chief of Executive Committee of Boyner Group between 1982 and 1994. Cem Boyner was the President of the Board of Directors of Turkish Industry and Business Association (TUSIAD) between 1989 and 1990, and he became the Managing Director of Boyner Group in 1996. After Osman Boyner became the Honorary in 2010, Cem Boyner replaced him as the Chairman of Boyner Group. Cem Boyner is also the Chairman of Boyner Retail and Textile Investments as well as other Group Companies.

LERZAN BOYNER

Vice President

A graduate of Istanbul's Academy of Economic and Commercial Sciences, Lerzan Boyner has been working at Altinyıldız Group Companies and Boyner Holding since their foundation. Besides, she is a Board Member at Benkar Customer Finance and Card Services for the last 10 years. Lerzan Boyner has also been serving as Vice Chairman at Boyner Retail and Textile Investments since 2009.

NAZLI ÜMİT BOYNER

Member of Board of Directors

A graduate of the University of Rochester, New York, Ümit Boyner started her career in Chemical Mitsui Bank Credit Marketing Department. Then she worked as Finance Manager at Turcas Petrolculuk A.Ş., and as Investment Director at Türk Petrol Holding A.Ş. Treasury Department and at Turtrust A.Ş. respectively. She started working at Boyner A.Ş. in 1996 as Finance Director. Ümit Boyner, who has been serving as a Board Member at Boyner Retail and Textile Investments since 2006, was the President of the Board of Directors of Turkish Industry and Business Association (TUSIAD) between 2010 and 2013.

NUR MEHMET İNAL

Board Member and General Manager

Mehmet İnal is a graduate of Bogazici University. Following his position in audit department at Arthur Andersen, he served as System and Audit Coordinator, Finance Coordinator, Vice Chairman of Executive Committee, and President at Altinyıldız Group respectively. Mr. İnal was appointed as Vice Chairman of Boyner Holding, and a Board Member of Boyner Retail and Textile Investments in 1996. On August 12, 2013, he resigned from the Board of Directors giving his place to Yavuz Sökün. On January 9, 2014, he rejoined the Board of Directors and becoming the General Manager.

TUNCAY TOROS

Member of Board of Directors

Tuncay Toros graduated from Ankara University with a degree in Political Sciences. He worked as Ministry of Finance as an Account Expert, General Director of Mint and Stamp Print House, Kozanoğlu-Çavuşoğlu Group Financing Coordinator respectively. Tuncay Toros has been serving as Vice Chairman at Boyner Holding A.Ş. and Board Member at Boyner Retail and Textile Investments since 1984.

SERDAR SUNAY

Member of Board of Directors

Serdar Sunay is a graduate of Bogazici University. Following his positions at Arthur Andersen Audit Department and Koç Group Planning Department; he worked as Business Development Manager at Boyner Holding, as Restructuring Project Leader at Mc Kinsey & Co Turkey Group and Boyner Group, as Turkey and Middle Asia Benetton License Operation General Manager, as Boyner Holding A.Ş. Retail Operations Vice Chairman, and as Benetton-Turkey President (in accordance with the equal partnership agreement between Benetton Group SPA Italy and Boyner Holding A.Ş.) respectively. Serdar Sunay is serving as Board Member of Boyner Retail and Textile Investments since 2009.

MUSTAFA TÜRKAY TATAR

Member of Board of Directors

Türkay Tatar is a graduate of Middle East Technical University (METU) with a degree in Business Administration. He completed his Master's degree in Labor Law at Bilgi University. Tatar started his banking career in the treasury department and resigned as Deputy General Manager at Demirbank after working in various positions. After 2001, he managed treasury departments of all financing companies of Cingilloğlu Group. He joined Arçelik in 2005 as Finance Director. He is serving as Vice President at Boyner Group since the end of 2011. Mr. Tatar was appointed as Board Member at Boyner Retail and Textile Investments on January 9, 2014.

ELİF ATEŞ ÖZPAK

Independent Board Member

After graduating from Istanbul University with a degree in Law, Elif Ateş Özpak completed the Program of Instruction for Lawyers (PIL) at Harvard Law School. She worked as partner attorney at Pekin & Pekin Law Firm, as Corporate Legal Advisor and Corporate Governance Secretary at Turkcell İletişim Hizmetleri A.Ş., and as an associate attorney at Ateş & Demirhan Joint Law Firm respectively. She is a partner at Crescent Capital since 2008. She is also a Founding Partner and Board Member at 11880. Elif Ateş Özpak is an Independent Board Member at Boyner Perakende ve Tekstil Yatırımları A.Ş. since 2012.

TAYFUN BAYAZIT

Independent Board Member

A graduate of Southern Illinois University with a degree in Mechanical Engineering and a post graduate of Columbia University with a Master's Degree in Finance and International Relations; Bayazit started his banking career in Citibank. He worked as a senior executive in Çukurova Group for 13 years. He became CEO of Dışbank in 2001. He was appointed as CEO of Fortis Turkey and Global Management Committee in 2005. In April 2007 he returned to Yapı Kredi as Managing Director and General Manager, and then in 2009, he became President at Koç Holding Banking and Insurance Group as well as at Yapı Kredi. Tayfun Bayazit founded "Bayazit Danışmanlık Hizmetleri" in August 2011 and were an independent board member at Boyner Retail and Textile Investments since 2014.



boyner groups



BOYNER GROUP

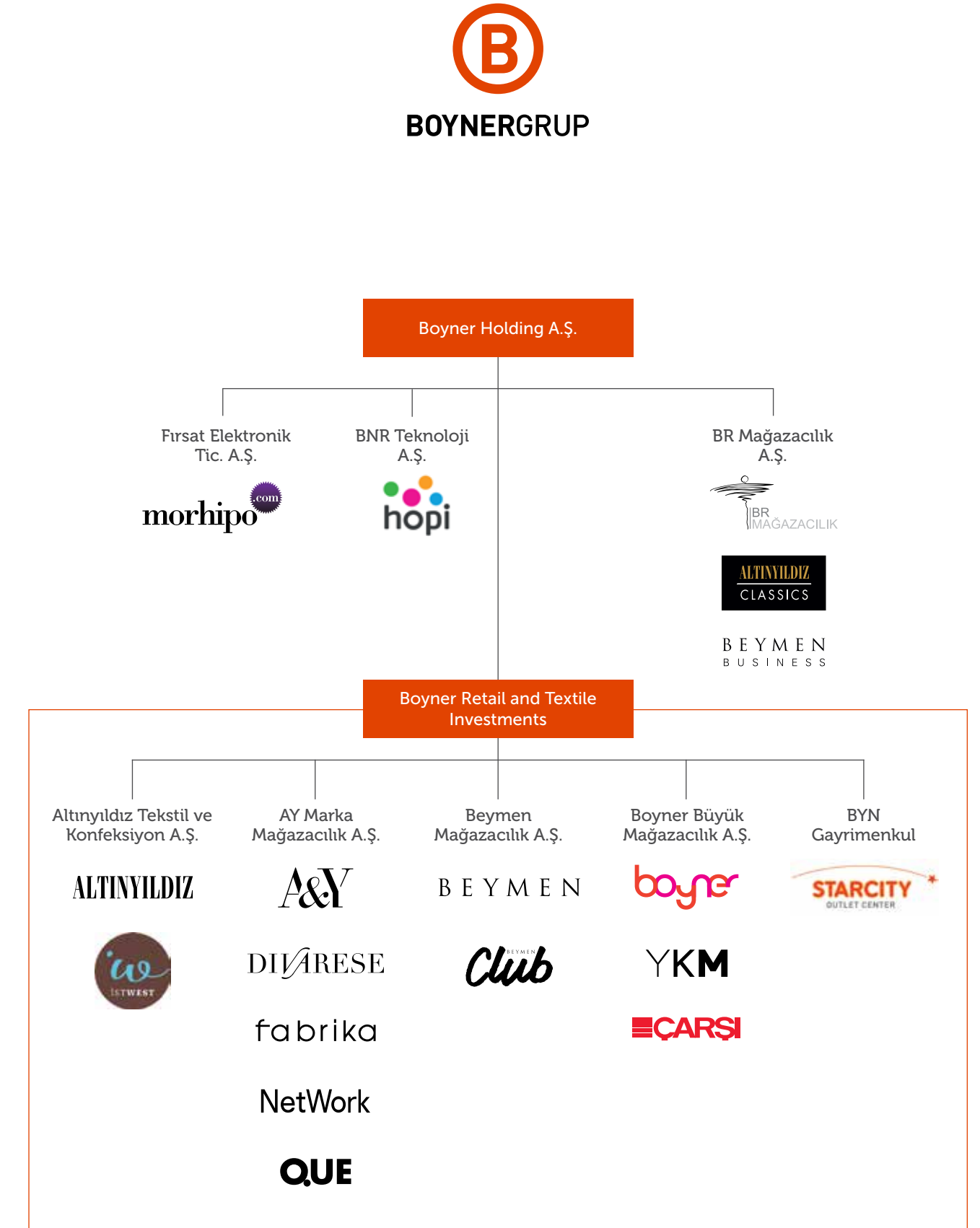
With its 8 group companies, more than 25 brands, 500 stores, and more than 10,000 employees, Boyner Group serves for absolute happiness of its unique customers reaching beyond 15 million, and offers reliable products associated with its leading and innovative identity.

15 million+ unique customers

400 thousand m² sales area

more than **500** Stores

10.000+ employees



1952

Altinyıldız Mensucat ve Konfeksiyon Fabrikaları A.Ş. was founded by Boyner family in January 14th, 1952.

"Altinyıldız, began its operations with 750 thousand meters wool fabric and 1400 employees, bringing prestige to the market with its significant production and size." With a corporate structure, Altinyıldız built trust in the market within a short period."

ALTINYILDIZ

1956

First export transaction.

"With the intention to become the brand to introduce Turkish fabric to the world, Altinyıldız realizes first export transaction in 1956."

1971

Beymen is born.

"Boyner Family enters into ready-to-wear and retail in 1971 with men's clothing under the name Beymen. The first Beymen store was opened in Nişantaşı."

B E Y M E N

1967

Export chain gets bigger.

"Altinyıldız becomes a corporation exporting on a regular basis. Exporting to a wide range of countries including Japan and Panama, Altinyıldız starts manufacturing fabrics for world renowned brands, namely Marubeni and Zegna."

1975

Moving to larger facilities.

"In 1975, production of the brand (Beymen) is transferred to the new production facility built in Yenibosna."

1981

ÇARŞI

First Çarşı store opened, introducing the sector multi-storey retail concept.

"Çarşı, which was established in 1981 to sell outlets, turned rapidly into a multi-storey store and became the first store in Turkey to create a breakthrough with its multi-storey store conception."

1985

Altinyıldız Group of Companies (today referred as Boyner Group) brought Benetton to Turkey with partnership and franchise agreement

"Benetton was the first international ready-to-wear brand to enter Turkish market."

1976

All units transferred to this new facility.

"In 1976 all units were transferred to this current production facilities established over 120,000 m² area in Yenibosna. Altinyıldız factory which incorporates thread, fabric (weaving, dyeing, finishing) and ready-to-wear apparel units, active over 82,903 m² closed area, is one the five biggest woolen fabric manufacturing factories of the world."

1987

A first in Turkey! Unconditional customer happiness concept brought to the sector!

"Boyner Group, launched the concept of "Unconditional Customer Happiness" in 1987 and started a new era for Turkish consumers. Unconditional Customer Happiness (UCH) principle was announced. This was a strong manifest for the customers; it represented naming a new way of thinking. Unconditional Customer Happiness became a special, registered brand of the Group."

1989

Çarşı Credit Card was launched.

"A groundbreaking innovation in Turkey again from Boyner Group, a credit card allowing installment shopping against cash price to improve consumer's purchasing power."

1992

Boyner is the "first textile company." Which was granted ISO 9001 Quality Certification in Turkey.

1991

Altinyıldız went public.

"Boyner Retail and Textile Investments (then named as Altinyıldız Mensucat), the parent company of which was Boyner Holding, held its Initial Public Offering in 1991."

1996

Çarşı went public.

Altinyıldız became the first Turkish company to be accepted into Australian Super Fine Wool Growers Association.

1998

1997

1997

Network brand introduced to the customers.

"Altinyıldız figures among the largest European textile factories and produces the "Altinyıldız" brand of fabrics. In 1997, Altinyıldız launched its first retail brand operation, which would later be called NetWork."

NetWork

1999

1999

Altinyıldız created a new ready-to-wear brand: "Fabrika".

"Shortly after NetWork is launched into the market, "Fabrika" brand met the customers. Therefore, Altinyıldız's investments in the retail sector have increased day by day."

fabrika

2002

Advantage Card was sold to HSBC.

2001

A travel agency named Çarşı Tatil was established to provide service to group customers.

2003

T-Box brand placed apparels in little boxes and once more proved innovative and creative aspect of the group.

"T-Box project was developed in January 2003 by gathering of a team of 20 persons working in different fields including finance, production, sales, and marketing under the Presidency of Cem Boyner."

2004

Çarşı was renamed as "Boyner".

"Boyner Büyük Mağazacılık, changing its name from Çarşı to Boyner, continued to serve its customers by renovating its stores."

boyner

2006

Cosmetics is included in product range of Boyner Stores.

2008

AY Marka split from Altinyıldız and formed a separate company.

2007

Home textile products are included in product range of Boyner Stores.

CVCI, a subsidiary of Citigroup made investment in Boyner Group.

"In 2007, Citigroup Venture Capital Investment acquired 30% of BBM and a 50% stake in Beymen, reinforcing the leadership position of these companies in the Turkish market and allowing them to grow further."

Altinyıldız launched its third retail brand Que.

QUE

New Breakthrough of Beymen: Designer's Boutiques

"As Turkey's most prestigious ready-to-wear brand, Beymen not only offered Beymen, Beymen Club and Beymen Home-branded products to customers, but also started to open designer boutiques for numerous world-renowned brands from 2007 onwards with its philosophy of maintaining and further strengthening its pioneering market position in luxury garments through new investments."

2010

StarCity Shopping Mall opened.

"Boyner Retail and Textile Investments has a partnership with Merkur Ticaret A.Ş. - a subsidiary of Yıldız Holding - in Starcity Shopping Mall."

2011

IstWest project built on Altinyıldız factory land.

"Altinyıldız, in order to make use of the factory land, started "IstWest" housing project jointly with Fer Yapı. The IstWest development project comprises 999 housing units and 17,500 m² of commercial space; customers have already started occupancy following delivery of the units."

2012

Boyner-YKM cooperation established by the acquisition of 63% of YKM.

"In 2012, BBM acquired the majority shares of YKM, one of Turkey's most established department stores, and thus added a new valuable member to the family."

YKM

Boyner Holding sold its 50% stake in Benetton to Benetton International.

Sold Back-Up to Affinion.

"Boyner Holding also sold its majority stake in Back-Up to Affinion, an international company experienced in lifestyle services."

2013

Zorlu Beymen opened.

"Beymen opened Turkey's largest ready-to-wear store -spanning 10,000 m² - in Istanbul's Zorlu Center."

Boyner Holding bought back Beymen's 50% shares and Boyner's 30.05% shares from CVCI.

"Boyner Group purchased majority shares back in order to integrate the share structures of group companies and gathered them under a single roof."

2014

Transformation from Boyner Holding to Boyner Group.

"Boyner retail companies gathered under a single roof. Boyner Group title Moreover, corporate identity and logo were renewed."

B

BOYNERGRUP

HOPİ; a new invention for shopping.

"During the retail events held by the end of 2014, Boyner Group's new invention Hopi mobile application which will bring a brand new look to the retail sector, has been introduced. Hopi will bring a new point of view to the future of the retail sector!"

hopi

advantage

Advantage Card was offered to consumers.

"In an ambitious initiative outside the retail industry, the Group developed Advantage Card, one of the most important innovations of the last 15 years. In 2002, HSBC acquired Advantage Card with its 1.5 million customers, over 400 contracted merchants and more than 5,000 sales points. Advantage became the pioneer of the installment credit card market in Turkey."

morhipo

Morhipo.com was launched. A first in Turkey! Season and sale products sold together.

"Boyner Group entered the e-commerce market with morhipo.com. Unlike its rivals, Morhipo.com offers under a single umbrella for both seasonal products and daily promotional campaigns, thereby differentiating itself from special offer sites and translating the Holding's pioneering role into the world of online commerce."

BR MAĞAZACILIK

BR Mağazacılık A.Ş.

"In 2011, Boyner Holding set up BR Mağazacılık (BR), an equal joint venture with Ran Mağazacılık. BR offers our customers the formal business wear brands Altinyıldız Classics and Beymen Business."

2014

Our Values

There are 7 values adopted by all Boyner Group employees: "creativity", "maintaining unconditional customer happiness", "courage", "passion", "continuous learning", "responsibility" and "being a member of a vast family." The seven core values printed in the DNAs of Boyner Group employees, guide and determine business manners.

Boyner Group

We Are Focused on Customer Happiness

Being focused on offering creative product, service, and experience. Providing improvement in every angle that reaches out to the our customers about the Function "Thinking all about the Customer"! Making the our customers feel important and prioritized in every action is essential for us.

We Are Creative

Ability to explore and implement creative solutions and approaches. Projecting and implementing the unattempted and the undone. Continuously assessing and developing business manners. Supporting generation of new ideas in the team. Our ability to ask "Why not?" is our corporate trait, our source of inspiration for innovativeness

We are passionate

Working eagerly, being the leader in our business. Creating motivation and inspiring environment for our team members. Having positive attitude and reflecting this to team members. Focusing on objectives, working with passion. Working pleasantly is a characteristic of Boyner Group employees.

We Are Responsible

Making contribution, and supporting contributions to society. Being "A good person, a good employee, a good citizen" with a moral, clear, accountable, and sustainable approach to colleagues, associates, customers and society. Executing our business with manners and actions aware of the social, economic and environmental responsibilities, is essential for Boyner Group employees.

We Learn Continuously

Continuous learning, continuously updating our professional expertise, improving and training others. Learning and instructing. Obtaining information from various sources and creating a vision of how works can develop. Ensuring work, team and oneself to be productive is a prerequisite for Boyner Group employees.

We Are a Huge Family

Always working on mutual trust, respect, participation, justice, and collaboration -like a family-; allowing all Boyner Group employees to work and get a promotion based only on their performance. Providing an equal opportunity for development is our main principle to enjoy and share the security and warmth of a family.

2014

Boyner Group

2014 Awards

CEM BOYNER
"LEADERSHIP FOR CHANGE"
AWARD

United Nations

BOYNER GROUP
INTERNAL COMMUNICATION
GREAT PRIZE

Golden Compass Public Relations Awards

OSMAN BOYNER
LIFE TIME
HONOR AWARD

Istanbul Chamber of Industry

BEYMEN ZORLU
BEST NEW COSMETICS
DEPARTMENT AWARD

Monocle Retail Awards

BOYNER GRUP
COMPANY GENERATING HIGHEST
EMPLOYMENT

secretcv.com HR Stars

BOYNER PERAKENDE
MOST FAVORED
2ND RETAIL COMPANY

Fortune Turkey Magazine

EREN ÇAMURDAN
(AYMARKA GM)
MOST SUCCESSFUL
EXECUTIVE

Retail Awards

NAR TANELERİ
(Pomegranate Arils) PROJECT
BEST PRACTICE AWARD

TISK CSR Awards

BOYNER GRUP
MOST SUCCESSFUL HR
ACTIVITY AWARD
(Retail Employee's Day Project)

Retail Awards

BOYNER BÜYÜK
MAĞAZACILIK
MOST FAVORITE BRAND OF
CONSUMERS IN PERSONAL
CARE - COSMETICS

Shopping Malls and Investors Association

BEYMEN
MOST CREATIVE
VISUAL AD AWARD

yenibiris.com - Hürriyet HR

MORHIPO.COM
BEST COMPLAINT
MANAGEMENT

sikayetimvar.com

BOYNER GROUP
BEST EMPLOYER
OF 2014

Great Place to Work

BOYNER EVDE
NATIONAL AWARD

GIA Awards

BEYMEN ZORLU
EXTRAORDINARY
DESIGN AWARD

ARE Design Awards

2014

Boyner Retail and Textile Investments at a Glance

394
stores

368.144 m²
sales area

10.000+
employees

115 million+
visitors per year

Boyner Retail and Textile Investments at a Glance.

Turkey's largest publicly traded non-food and non-consumer electronics retail group.

Our company title, Altinyıldız Mensucat ve Konfeksiyon Fabrikaları A.Ş., changed to Boyner Retail and Textile Investments in an attempt to join Boyner Group retail companies under a single roof, and reflect all our fields of activity in our trade name.

2011

Substantial part of Beymen Mağazacılık A.Ş. and Boyner Büyük Mağazacılık A.Ş. (BBM) was acquired.

2013

50% shares of Beymen and 30,05% shares of BBM purchased back from Fennella S.a.r.l, a subsidiary of Citigroup Venture Capital International (CVCI). AY Marka Mağazacılık A.Ş. (AY Marka), Beymen Mağazacılık A.Ş. (Beymen) and Boyner Büyük Mağazacılık A.Ş. (BBM) was gathered under Boyner Retail and Textile Investments. At the end of 2013, we became the largest publicly traded non-food and non-electronic retail group in Turkey.

Boyner Retail and Textile Investments consists of Altinyıldız Tekstil ve Konfeksiyon A.Ş., a company focused on woolen textile industry; Boyner Büyük Mağazacılık, the leader of multistorey retailing; Beymen Mağazacılık, a pioneer in luxury retailing industry; AY Marka Mağazacılık, incorporating Network, Fabrika, Que, Beymen Business and Divarese brands; and BYN Real Estate Development companies.

Altinyıldız, Boyner Retail's operations in the wool fabric segment, which date back to 1952, have continued under the umbrella of Altinyıldız Tekstil ve Konfeksiyon A.Ş. [Altinyıldız Textile and Apparel Co.] (AYTK) from late 2013 onwards. Today, in terms of magnitude, AYTK facilities take the second place in Europe and rank among the first 10 around the world spreading over 83,345 m². AYTK, which has about 40% share in domestic woolen fabric market, manufactures ready-to-wear products not only for Boyner Retail brands but also for numerous other domestic and international companies. The brand became prominent with its high-quality standards, productivity and in time production; and is preferred by upper segment customers.

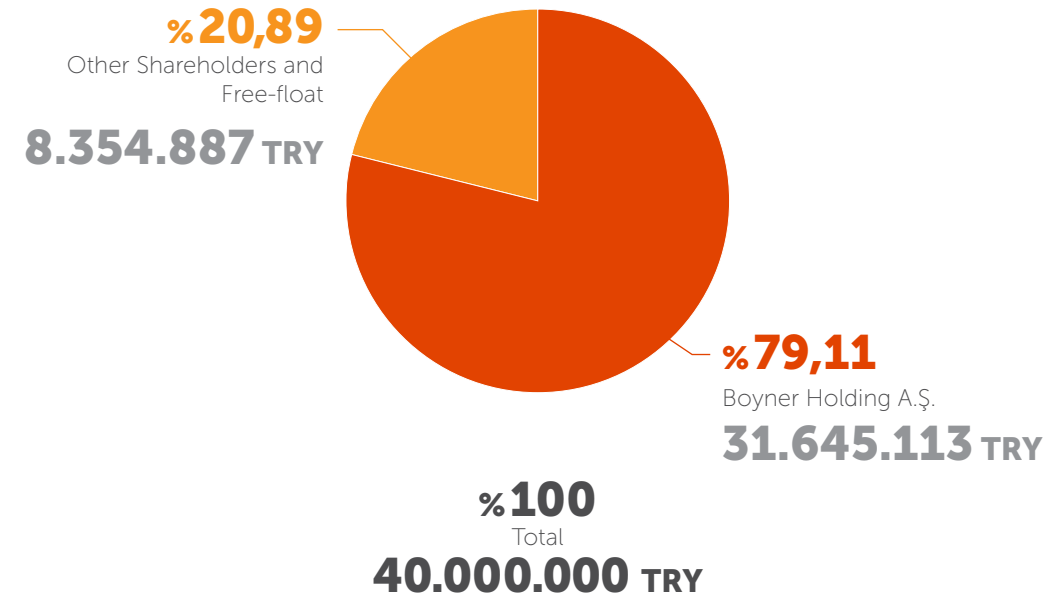
Boyner Büyük Mağazacılık A.Ş. ("BBM") commenced its operations in 1981, and opened its first store, then named as Çarşı, in Bakırköy. BBM acquired the majority shares of the leading domestic brand YKM (Yeni Karamürsel Giyim ve İhtiyaç Maddeleri Ticaret Sanayi A.Ş. and Yeni Karamürsel Giyim ve İhtiyaç Maddeleri Pazarlama A.Ş.) in 2012, and YKM's remaining shares in 2013. As such, BBM further reinforced its position in the sector in line with the company's objective of brand and consumer diversification in the multi-storey department store segment. BBM renders service to customers with its multi-storey stores, concept stores specialized in a single category (Boyner Home and Boyner Sports), outlet stores, BSSD/Designers On Sale, Çarşı stores, and since 2012, YKM stores. Boyner Büyük Mağazacılık gained 290,050 m² sales areas with 78 Boyner and 63 YKM stores in 37 provinces of Turkey, and welcomed 99 million visitors with 6,000 employees by the end of 2014.

Having opened its first store in 1971, Beymen Mağazacılık A.Ş. ("Beymen") embodies 81 stores over total 44,196 m² net sales area representing different retailing approaches. Beymen ranks among the top players in Turkish fashion industry and global luxury retail industry since its establishment. Today, Beymen comprises more than 600 world brands, store selections of which are considered to be among the best in their category worldwide.

AY Marka Mağazacılık A.Ş. (AY Marka) was separated from Altinyıldız Textile in October 2008 to manage the brands NetWork, Fabrika, and Que. Then in 2009, Beymen Business, and in 2010 Divarese operations joined AY Marka. Today, AY Marka has 25 stores in 158 provinces across Turkey, as well as, 14 overseas stores in Abkhazia, Azerbaijan, UAE, Cyprus, Kyrgyzstan, Russia and Saudi Arabia.

Established in 2007, BYN Real Estate Development (BYN) operates the StarCity Shopping Mall, which was built in 2010 on the former factory site of Altinyıldız, in partnership with Yıldız Holding's subsidiary Merkür Ticaret A.Ş.

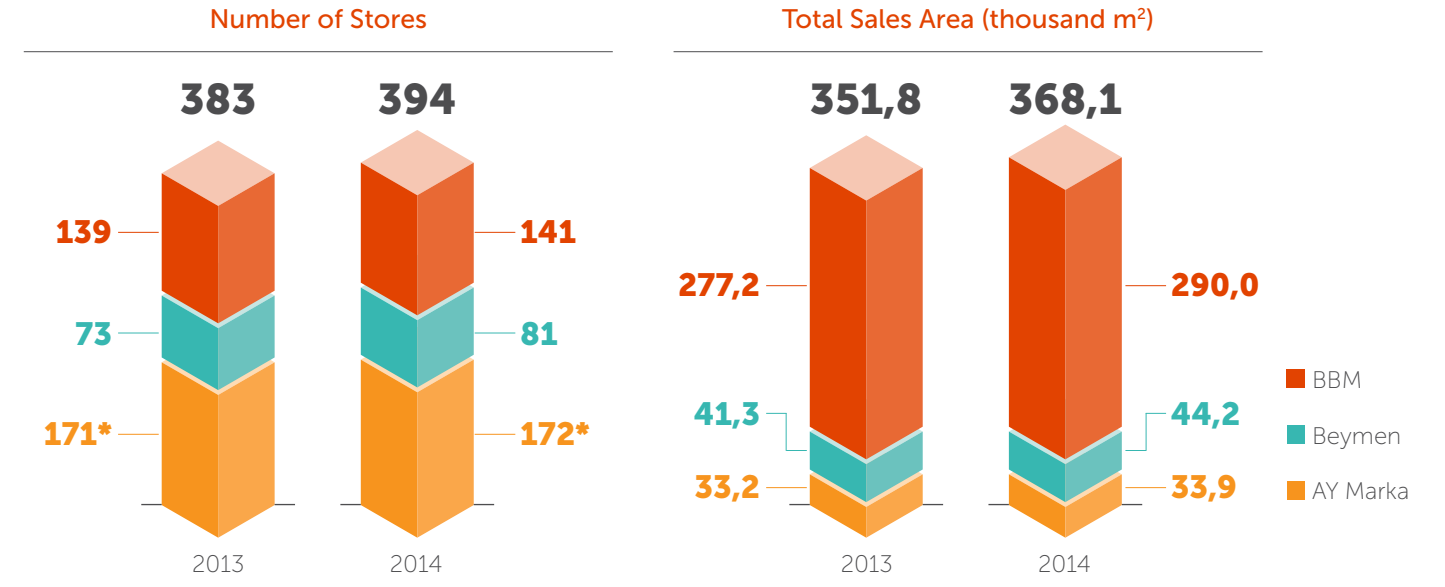
Boyer Retail's Shareholder Structure (BOYP)



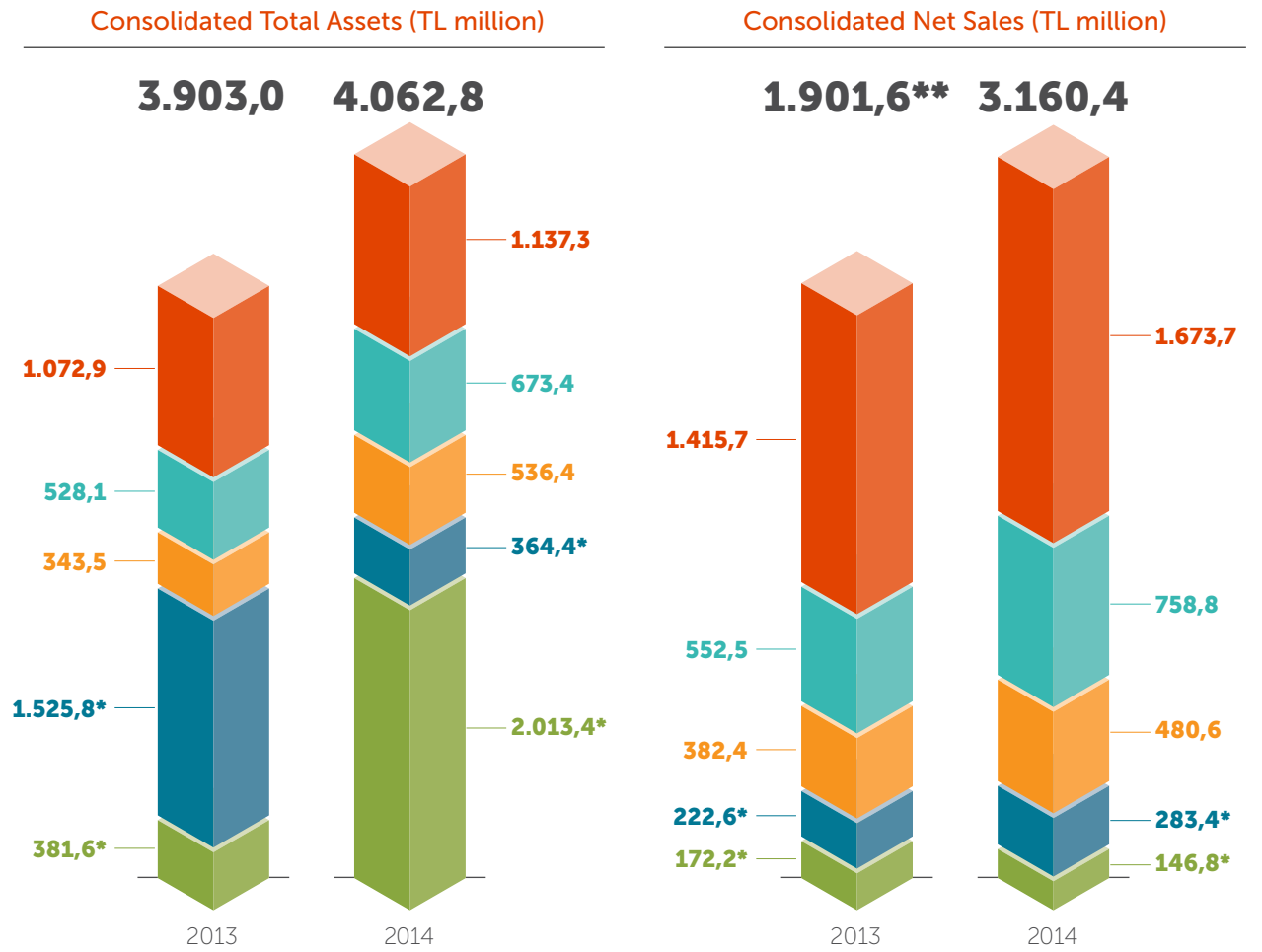
Boyer Retail Subsidiaries

December 31, 2014

Subsidiary	Country of registration	Business Line	Participation Rate (%)
AY Marka Mağazacılık A.Ş.	Turkey	Retail	100,00
Boyerer Büyük Mağazacılık A.Ş.	Turkey	Retail	96,58
Beymen Mağazacılık A.Ş.	Turkey	Retail	100,00
BYN Gayrimenkul Geliştirme A.Ş.	Turkey	Real Estate Development and Management	100,00
Altınyıldız Tekstil ve Konfeksiyon A.Ş. (eski adıyla Altınyıldız Gayrimenkul Yatırım ve Geliştirme A.Ş.)	Turkey	Textile and Apparel Manufacturing, Real Estate Development	100,00
Alticom GmbH	Germany	Textile Products Sales and Marketing	100,00
Altınyıldız Corporation	USA	Textile Products Sales and Marketing	100,00
AY LLC	Dubai	Textile Products Sales and Marketing	100,00
Altınyıldız Italia SRL	Italy	Textile Products Sales and Marketing	100,00
Vista Sağlık Hizmetleri Ticaret Danışmanlık A.Ş.	Turkey	Health Services	100,00



* 14 overseas stores of AY Marka included.



* Financial asset investments included.

** BBM and Beymen are included in full consolidation after May 31, 2013. BBM and Beymen net sales cover the figures in the period between January 1, 2013 and December 31, 2013. Total sales amount estimated with the assumption that financials of BBM and Beymen companies were consolidated following January 1, 2013 is 2.623,8 million TRY (Independent audit report Note 4).

■ BBM ■ Beymen ■ AY Marka
■ AYTK Tekstil ve Konfeksiyon ■ Other Activities

2014

2015
Strategies and
Projects

2015
Strategies and Projects

Omni Channel (Multichannel retailing) Supply Chain
 Customer Relations Creativity Fund raising
 Customer Happiness Continuous Learning Passion
 Equality Responsibility Future Group Synergy
 HR & Skill Management Democracy
 Made-in-Good Fair
 Courage Hopi
 Growth Ready
 Governance

Shareholders, directors and employees of all Boyner Group companies join their forces with one single purpose: "Unconditional Customer Happiness." "Unconditional Customer Happiness" constitutes the essence of the unique service we provide to all our customers. Unconditional Customer Happiness is our way of life, our philosophy.

Ensuring this requires knowing, understanding, and analyzing the customer very well, and working hard to generate solutions fulfilling their needs. With our innovative and creative solutions created to achieve this purpose, we are committed to offering advanced service quality to our customers. In 2014, to take this understanding one step further, we aimed to render a totally new retail concept utilizing requirements and benefits of our developing world and technology as tools to grow our business.

2014 was marked by the preparations performed to reach our future targets, infrastructure and system improvements, completion of preliminary studies and pilot processes of our upcoming innovations.

As of 2014 we are ready for the future of retail. 2015 will be a significant milestone for Boyner Group. In 2015, our stores will be linked by mobile and web-based systems for customer services and all our power will reach our customers through all lines like a single line. We called this strategy "All-Line." For us, the future of retail industry lies here. In order to understand and meet requests and needs of our customers by providing them with all kinds of alternatives; we will be structuring the future of retail industry with the shopping app, Hopi, in 2015.

During 2014, we maintained our studies and investments to design and actualize the structures required for our customers to reach us at any time and to complete their shopping and receive their products in the best suitable manner for themselves in multi-channel retailing. We provided our e-commerce sites and mobile applications to be continuously developed in compliance with constantly changing needs to reach our customers even in places where we do not have stores. Our developments are in continuous progress. Deep integration and implementation of multi-channel retail strategy, which allows all our channels including our stores to be fully integrated with each other to offer our customers the same experience in all channels, made enormous contribution for 2014 to be referred as the preparation phase for the future of retail industry. Under the scope of this project, initiated at the beginning of 2014, we received support from a consulting company, which had experience with biggest retail companies of the world; integrated storing, logistics, sales and service channels management and information systems processes within Boyner Retail and improved their effectiveness and efficiency. Our ultimate goal is to offer our customers an unlimited, uninterrupted shopping experience.

Customer Strategies Center keeps working at full speed. This department, utilizing contemporary methods with the intention to take our unconditional

customer concept one step further, aims to build up the substructure to provide our customers, who perform about 117 million shopping transactions per year, beyond their expectations. Customer Strategies Center, using advanced analytic tools, carries out various projects with our companies to offer best personalized solutions to expectations and needs of our more than 15 million individual customers.

In reaching these objectives and setting more ambitious targets and dreams, our greatest asset will undoubtedly be Boyner Group employees: A vast team of individuals who develop new ideas, generate resources, implement plans, and projects, always strive for better results, and who work with diligence and passion. In 2015, in terms of Human Resources Management, our focus areas shall again include improving our capabilities within the group, continuing to recruit the best talents, strengthening our employer brand, and again increasing employee by a couple of percentage points.

In our view, integrating corporate responsibility and sustainability into all of our business processes and decision-making is a valuable achievement. Since our establishment, social and environmental responsibility have been essential parts of our functioning and assessment with experience above and processes including recruitment, product and supplier selection, office construction, and employee improvement. In 2015, inspection of social and environmental compliance, and participation in social responsibility projects of all our group companies and suppliers will be of prime importance to us.

As of 2014 we are ready for the future of retail. 2015 will be a significant milestone for Boyner Group. In 2015, our stores will be linked by mobile and web-based systems for customer services and all our power will reach our customers through all lines like a single line. We called this strategy "All-Line." For us, the future of retail industry lies here. In order to understand and meet requests and needs of our customers by providing them with all kinds of alternatives; we will be structuring the future of retail industry with the shopping app, Hopi, in 2015.

Unconditional Customer Happiness

"Unconditional Customer Happiness" constitutes the essence of the unique service we provide to all our customers. Unconditional Customer Happiness is our way of life, our philosophy.

Boyner Group put the Unconditional Customer Happiness concept into practice in 1987, starting a brand new era in Turkish customer experience, and over the years, Boyner Group companies embraced this main principle in all their contacts with customers. "Unconditional Customer Happiness" means ensuring the happiness of our customers who purchase our high-quality products, without any limit.

Enabling "Unconditional Customer Happiness" means striving to become a group which correctly interprets customer reactions, ideally meets customer expectations, earns respect and trust, and presents continuous improvement for this purpose. We are focused on offering creative products, services and experiences beyond our customers' expectations, and we pay strict attention to include unimagined services to our tasks.

The main objective of Boyner Holding is to make use of state-of-the-art technology and enhance our products in order to adapt our Unconditional Customer Happiness principle to ever-changing and developing customer needs of the day.



All-Line Retail

Rapid rise of online and mobile shopping around the world triggers a big change in Turkish retail industry similar to the whole world. Technology has the potential to bring together each retailer or manufacturer with the consumer who has internet access anywhere around the world. Every day, consumers present their shopping and service demands through different technologies and channels. In line with these developments, in Boyner Group, we are implementing transformation of multi-channel retailing managed in the form of single channel simultaneously in all group companies.

Our vision is to become a pioneer and leader also in channel retail field with a business model which incorporates powerful online channels supplementing physical channels and provides uninterrupted service to customers.

In accordance with our vision, in the first half of 2014, multi-channel retailing department was established at group level to provide direction and support to all group companies with this intention. Initiatives of this organization include identification and management of multi-channel retailing implementations and technologies within the group, generation of possible joint studies, formation of information and competence center, following up targets and KPIs of companies with this regard.

Our objective at group level is to provide 15% of all retail sales from an online channel and to complete the logistics and technologic infrastructure required to provide all multi-channel services for this objective within 2 years. For this purpose, first we received consultancy from a consulting company specialized in multi-channel retailing for 6 months; as a result of this study we identified multi-channel retailing strategy at Boyner Group level; and composed 5 year investment, business plans, and targets.

In multi-channel retailing, we are working to develop a system that will enable our customers to enjoy an easy, smooth and unmatched shopping experience at any time and through any channel (internet, mobile, store). With this intention, our main task is to build an integrated structure supporting communication of all these channels within and between themselves. For this purpose, we are trying to enrich websites of 5 group companies in terms of service competency, product range, and to convert them into e-trade sites. Today, you can shop online via www.beymen.com, www.boyner.com.tr, www.ykm.com.tr, www.boynerevde.com.tr, www.divarese.com.tr, www.network.com.tr, www.fabrika-tr.com, www.altinyildizclassics.com.tr, and www.mor-hipo.com. Considering the impact of the increase in use of smartphones over turnover and marketing, as well as its contribution to marketing, we put Boyner, Beymen, and Morhipo mobile applications into practice. Besides, in online shopping channels we offer our customers value-added services within the group and create sales opportunities by increasing customers' frequency to visit our stores through practices including return to the store, delivery at the store, and change at the store. Besides, we easily

perform an inventory check and rapid transfers at stores with tablets used by sales representatives.

When we evaluate multi-channel retail applications and results abroad, we see that they gain brand value increase to companies. All global researches reveal the fact that revenues of companies will dreadfully fall down if they run late to transform them into this system will demonstrate a significant decrease in the upcoming periods. With this respect, in Boyner Group, we are working with all power to make multi-channel retailing perfectly operational to transform and regenerate in all required areas in order to grow organized retailing and offer world class services to our customers, in the upcoming days.

Our vision is to become a pioneer and leader also in channel retail field with a business model which incorporates powerful online channels supplementing physical channels and provides uninterrupted service to customers.

Supply Chain Synergy

Expansion and growth of retail in international platform due to globalization, leads to confrontation of supply markets with instability and various laws which generated a major change.

In this new world, the rapid and strong growth potential in our special brands brought several structural, strategic changes in the manufacturer group companies-consumer triangle. In Boyner Group, in order to benefit from group supply and economy of scale in our private brand supply flows to differentiate our products with their quality and price scale, to increase our market share and profit, and to improve our brand reputation in private brands; we initiated the Group Common Supply Optimization Project in the fourth quarter of 2014, to generate synergy in supply chain management in the group and among companies.

In order to actualize the project, a central common supply structure was built as a coordinator which gained more purchasing power for each group company to purchase private brands. For this organization, "private brand central supply department" was established to render service to all our companies, and a team was constituted to support and guide our companies as a coordinator during supply processes.

The infrastructure building studies to purchase vast amount of products from manufacturer companies with better conditions in certain product groups with Boyner Group's bargaining power and potential to create economy of scale, are planned to be functional in the 2nd quarter of 2015.

In a manner to constitute the basis of organization;

- The product groups and raw materials, which might allow merging in purchasing without changing brand identities and design/fashion manners of our companies, were identified, and common supply studies were initiated.
- The brands and products, which might allow us to create common supply and economy of scale according to primary needs of our companies within quality-price range-production speed triangle, were identified, and competent suppliers were determined.
- Systematic development studies were initiated for identification of best suppliers for our companies through private brand rating and segmentation analysis, and improvements were made on SAP to take a step in the PLM world. Several platforms were assessed for both product design and supplier management, and project design studies were initiated to bring these platforms to our companies.
- Referring to the analysis carried out within the scope of available data, number of our suppliers was optimized in accordance with our production needs and competence of suppliers.

- Supply schedules of all companies were synchronized to carry out all these studies simultaneously in our companies, and the dates which required common action be identified, among companies, central common supply unit took responsibility together with companies and plans were made, and actions were taken to manage;

- Packed/ combined saving of capacity.

- Supplier capacity allocation/ identification of strategic concerns

- Tendency to move from high-cost production regions toward low-cost production regions in Turkey or production abroad.

- Lean planning and production processes.

At the end of this process, we aim to ease lives of customers, and to manage operations of Boyner Group companies more rapidly and efficiently; and consider this as a significant part of our preparation for the future.

The infrastructure building studies to purchase a vast amount of products from manufacturer companies with better conditions in certain product groups with Boyner Group's bargaining power and potential to create an economy of scale are planned to be functional in the 2nd quarter of 2015.

Working Environment

In Boyner Group, it is our main principle to provide happiness and safety to our employees. We are attentive to execute the unconditional customer happiness strategy, developed for our customers, to our employees as well, in our working environment. It is essential for us to enable a democratic working environment in all Boyner Group companies, and to please our employees.

We run all business of Boyner Group with our 7 core values printed in our DNAs. Instead of identifying detailed procedures, we present our values, trust our employees, and commission them to make best and the most moral decisions.

In Boyner Group, it is our main principle to provide happiness and safety to our employees in our working environment. We are attentive to execute the unconditional customer strategy, developed for our customers, to our employees in our working environment. It is essential for us to enable a democratic working environment in all Boyner Group companies, and to please our employees.

In all our Human Resources policies and practices, such as recruitment, promotion, transfer, rotation, and remuneration, we embrace a fair approach; and expressly reject any discrimination based on race, color, religion, marital status, sexual orientation, gender identity, political view or on factors such as belonging, ethnic identity, health status, family responsibilities, trade union membership, physical disability or age. We provide equal opportunities to all in recruitment, work relationship, remuneration, training opportunities, promotion, retirement and all other aspects of employment.

Boyner Holding was named a "Great Place to Work" as a result of an employee vote and corporate culture assessment in 2013 and 2014. According to Great Place to Work survey, 93% of our employees say; "I am proud to work here, and recommend it to my friends."

OCCUPATIONAL HEALTH AND SAFETY

We deem safe working conditions, compatible with human dignity, as a right of life for our employees. We perform our liability to inform our employees through trainings and "Occupational Health and Safety" manual providing practical tips; and ensuring this tip become a part of life.



"GREAT PLACE TO WORK" -BEST EMPLOYER

We believe that our customer-oriented approach is a philosophy that should also be applied to our employees. As a result, we are expanding our efforts to get to know our employees better, in order to join forces with them for the same goals and ensure their satisfaction. The Group has a wide range of practices that focus on employees as a whole, or in different companies.

As in all our business activities, we measure our Human Resources Management performance by specific KPIs as well as by the awards and certificates we receive. The Group assesses itself every quarter by using a total of 81 metrics divided into categories such as demographic change, employee turnover, equality, productivity and HR efficiency, in addition to comprehensive annual assessments based on employee questionnaires.

TALENT MANAGEMENT

In 2014, we authorized young managers in our companies for our new projects and growing organization. Also, we have managed to add very special skill to our group. Managers with careers from various fields such as telecommunications, a digital sector, FMCG and government sector have decided to join retail sector and our group.

In 2014, 15 people- 6 of which are from the group are assigned to Director and above positions.

DECEMBER 12th RETAIL EMPLOYEE'S DAY

December 12th Retail Employee's Day is an extensive communication project designed to pay gratitude to store employees, who provide service all year long with a particular dynamics, for 6 days a week at an intensive pace and working devotedly without running out of energy, in a very unique and different way. "December 12th Retail Employee's Day" has been created as an internal communication project in order to enhance the sense of belonging to the store employees to their jobs and Boyner Group in a way to create awareness about retail employees in the society. In 2014, it has turned into a special occasion that will become a tradition of retail sector under the roof of All Retailers and Shopping Malls Federation of Turkey (TAMPF) and was celebrated with the participation of approximately 2 million retail employees. December 12th Retail Employee's Day has been awarded as The Most Successful Human Relations Practice Award in Perakende Güneşi Ödülleri,

granting persons and organizations that contribute to the development of retail sector by their success and original practices.

CORPORATE RESPONSIBILITY AND SUSTAINABILITY

Corporate responsibility and sustainability constitute a key focus of the Group's efforts. In structuring its sustainable business strategies and activities, the Group focuses on this area with a comprehensive management approach that includes all of our internal and external stakeholders.

The Group couples its economic and environmental performance with the organization's social performance, which covers topic areas such as occupational health and safety, vocational training and development of employees, equal opportunities and diversity in employment policies, freedom of association, product responsibility, customer health and safety, legal compliance and social investment.

Social responsibility activities are managed under the Group's "Corporate Responsibility and Sustainability" operations. General managers and senior management are responsible for encouraging social responsibility, assessing projects, and ensuring employee participation. Our approach to social responsibility activities is focused on providing financial support for the solution of the social issue we focus on, becoming an agent of change and transformation, and playing an active role in addressing problems.

We place a particular emphasis on a participative and cooperative approach to the management and implementation of social responsibility activities.

Our corporate volunteer program, Boyner Group Volunteers, is an essential component of our socially responsible citizen's approach. Its aim is to raise employee awareness of responsible citizenship and to enhance and expand our activities serving the public good with the help of our employees. In 2014, our 349 volunteers carried out 4398 hours of such volunteer activities in service to society.

Our social investment program focuses mainly on areas such as improving the socio-economic position of women; providing training, personal development and democratic participation opportunities to youth, and expanding and supporting arts and culture activities.

*Please see page 96 for our "Sustainability Report."





boyner retail companies



boyner

boyner

boyner



boyner

boyner

BOYNER BÜYÜK MAĞAZACILIK A.Ş.

boyner

YKM

ÇARSI



Founded in: **1981**



Number of Employees: **6,019**



Total Sales Area: **290,050 m²**



Total Number of Stores: **141**



Net Sales: **1.674 million TL**



Annual Number of Visitors: **99 million**

BOYNER BÜYÜK MAĞAZACILIK A.Ş. (BBM)

As of year-end 2014, BBM operates with 78 Boyner and 63 YKM stores in 37 Turkish provinces, with a total sales area of 290,050 m². In 2014, BBM's 6,000 employees welcomed approximately 99 million visitors.

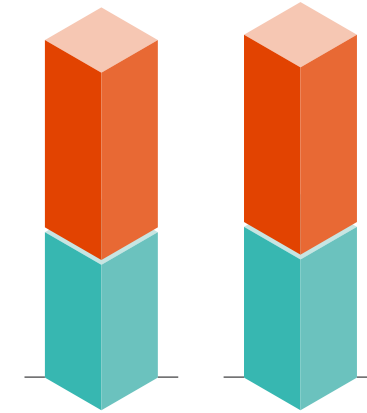
Total Sales Area (m²)

277.218 **290.050**



Total Number of Stores

139 **141**



Boyner
YKM

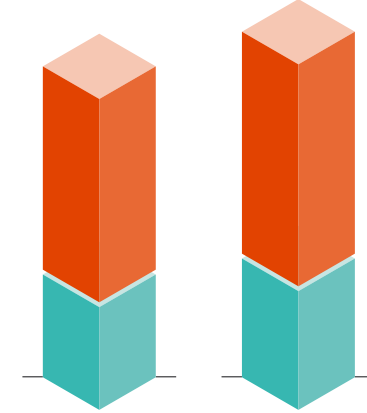
Annual Number of Visitors

96.949.830 **98.739.811**



Number of Employees

5.412 **6.019**



Boyner
YKM

2014

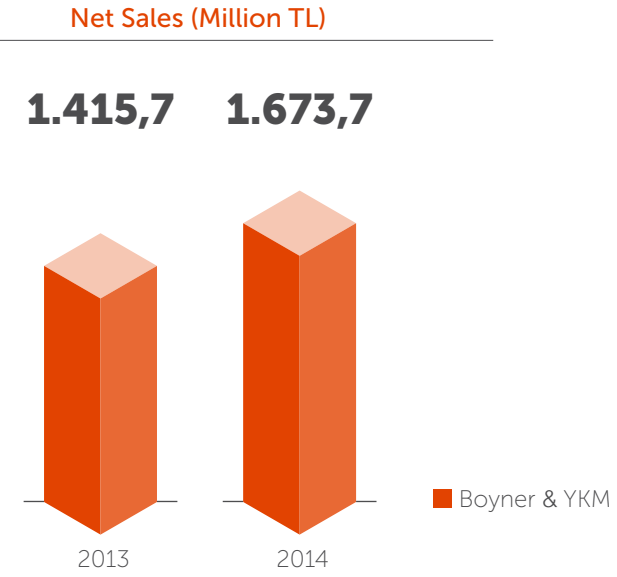
Boyner Büyük Mağazacılık A.Ş.



Milestones

- 1981** The first Çarşı store was opened in Bakırköy, Istanbul.
- 1989** Çarşı Credit Card was launched.
- 1990** The first multi-storey department store was opened in Maslak, Istanbul.
- 1992** Upon the establishment of Karat Mağazacılık A.Ş., Çarşı Mağazaları became a separate legal entity.
- 1996** Karat Mağazacılık A.Ş. was transformed into Çarşı Büyük Mağazacılık A.Ş., and 15% of its shares were offered to the public.
- 1998** A second public offering of a 15% shareholding was carried out. Growth and expansion continued with the opening of four new stores.
- 2004** The Change Program launched to transition from Çarşı to Boyner.
- 2007** Fennella S.a.r.l (a subsidiary of Citi Venture Capital International, CVCI). acquired a 30.05% stake and became a partner.
- 2010** Annual net sales reached TRY 500 million.
- 2011** Çarşı Stores were relaunched.
- 2012** The Group acquired majority stakes in YKM A.Ş. and YKM Pazarlama A.Ş.
- 2013** The Group acquired the remaining minority stakes in YKM A.Ş. and YKM Pazarlama A.Ş. 30.05% of shares of the Group n CVCI has been acquired by Boyner Retail and Textile Investment after a share buyback announced in September, the share of Boyner Retail and Textile Investment (former name, Altınyıldız Mensucat) brought its overall stake to 96.43%.
- 2014** Boyner Büyük Mağazacılık A.Ş., has taken over YKM A.Ş.and YKM Pazarlama A.Ş.

FINANCIAL AND OPERATIONAL INDICATORS



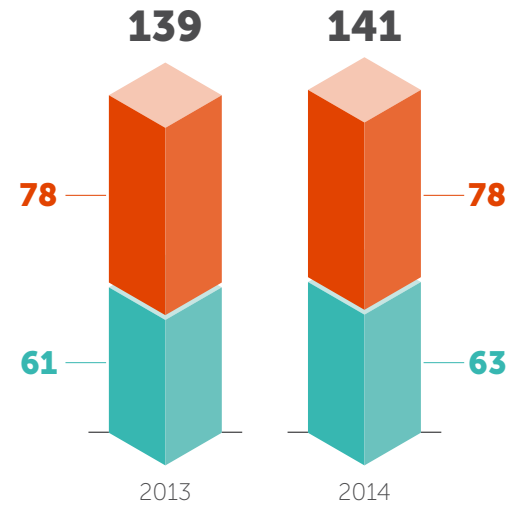
Income Statement	2013	2014
Net Sales	1.415,7	1.673,7
Gross Profit	540,1	638,8
Business Profit	48,9	75,9
Profit Before Tax	12,4	12,3
Net Profit	3,2	9,8
Depreciation and Amortization Expenses	36,4	38,5

Growth Rates	2013	2014
A. Net Sales	%51,4	%18,2
B. Total of Assets	%24,6	%6,3
C. Gross Sales Profit	%54,9	%18,3

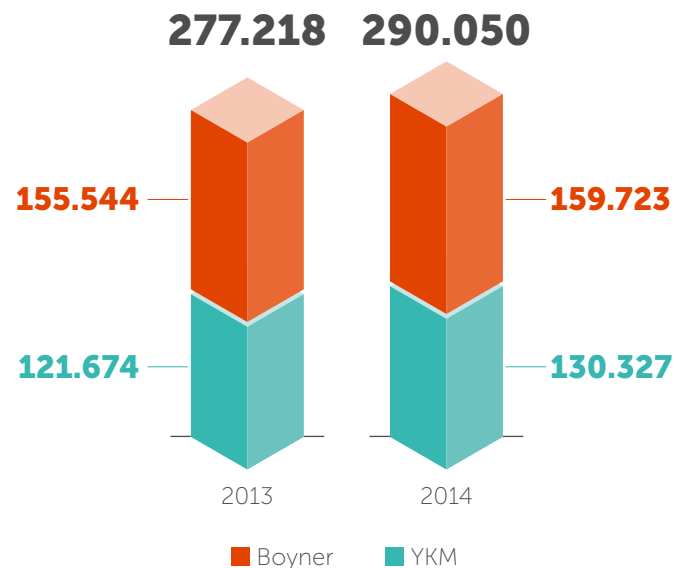
2014

Boyner Büyük Mağazacılık A.Ş.

Total Number of Stores



Total Sales Area (m²)



STORE FORMATS

By the end of 2014, Boyner Büyük Mağazacılık provides services as the leading department store in Turkey, in 37 cities, with 68 Boyner, 63 YKM and 10 Çarşı stores covering a total sales area of 290,050m². Since Boyner Büyük Mağazacılık opened its first store in 1981, it provided services by combining its diverse products with quality, reliability, and affordable price. Boyner entered a reorganization phase from 2006 onwards and started opening "concept" stores focused on a single product category and providing special customer services via a team of experts. Today, Boyner Büyük Mağazacılık is providing "unconditional customer happiness" with Boyner Home and Boyner Sports stores, Boyner Outlet stores, BSSD Stores, Çarşı Stores and YKM Stores.

Boyner and YKM stores offer a wide range of domestic and international brands in women's, men's and children's apparel, youth wear & sportswear, shoes, accessories, cosmetics and home design products. Boyner-YKM's private brands include Asymmetry, Cotton Bar, Limon Company, Mama Ramma, Pl, Altimod Man, T-Box, Caramel, Agenda, Bruno Ferrini, Loox, MIA, Men Club and Volt in women's, men's and children's apparel, sportswear and shoes. Boyner Home and YKM Home offer home decoration products.

Boyner Home, offering wide range of home products from home textile to furniture, kitchen and bathroom appliances, decorations and small home appliances, and Boyner Sports, selling designer products of over 65 international brands for different sports activities and casual wear, are founded in 2007 and provide custom services in their categories.

Boyner Outlet, offering discount products with advantageous prices to the customers, serves in 6 cities in Turkey. Another "concept" store BSSD was opened in 2009 and reach to a different clientele. Boyner offers out-of-season products of well-known brands via its 4 BSSD stores located in İstanbul and Ankara. Boyner online sales website was launched in 2003. After operational infrastructure improvement, the site has reached sales beyond and over expectations in 2014.

In response to requests from customers and from shopping mall investors for mid-range consumer segments in large cities, we relaunched Çarşı stores in 2011.Çarşı retail stores perfectly respond to these particular customers' brand, quality and price expectations with products that offer an attractive combination of price and brand. Çarşı stores are based on a flexible model where each store can decide its brand positioning according to its respective position in the marketplace, and market its private brands according to customers' needs. Today, there are 10 Çarşı stores in eight Turkish provinces.

	Total Number of Stores	Company Owned Stores	Dealer Stores
Boyner Stores	44	38	6
Boyner Concept Stores	14	10	4
- Boyner Home	7	7	-
- Boyner Sports	7	3	4
Boyner Outlet Stores	6	5	1
BSSD Stores	4	4	-
Çarşı Stores	10	7	3
YKM Stores	48	26	22
YKM Outlet	11	11	-
YKM Sport	4	3	1

SALES

The sales and marketing strategies of Boyner and YKM stores are built on the principle of Unconditional Customer Happiness. In all process designs, customers' needs and in all channels shopping experience at contact points are taken into consideration. Boyner differentiates themselves from their rivals by placing the customer at the center through a service-focused approach in all stores and brands.

Leading the sector in terms of service approach and after-sales services, the Boyner, and YKM brands extend the Unconditional Customer Happiness principle to all their suppliers. Boyner and YKM carry out meticulous research studies to encourage business partners to comply with Boyner and YKM standards in their service approach and after-sales services, and thus ensure complete customer happiness.

In all store formats of Boyner and YKM brands, visitors are directed to different shopping categories and are provided with services in diverse product categories on a single visit. Different sales scenarios are planned and implemented aiming to be the single sales point which customers can satisfy all their needs.

In October 2014, Boyner and YKM Stores began to accept product returns of Morhipo, This added a new dimension to customer experience approach and lead to multichannel retailing.

As of 2014, modifications, return and change processes of products purchased from YKM online sales websites has been provided.



2014

Boyner Büyük Mağazacılık A.Ş.

MARKETING

In 2014, investments in commercials and ads of particular brands that are active in the retail sector have reached a significant amount. Brands aimed to change shopping habits of customers with large media investments made in certain groups in a short period.

In the presence of these developments in competition, strengths of Boyner and YKM brands are highlighted, and themes are formed for important periods that require product diversity. Respectively Mother's Day, Father's Day, religious festivals, back to school and new year's eve are treated by both contents that differ in competition and by integrated marketing communication investments. During these periods, emotional attachment has been formed with the customers regarding reasons for rational shopping as well as events and celebrations. Growth in both traffic and revenues are observed when compared to the previous year.

In 2014, the share of local communication channels in total media investments has been increased. New local- national media balance has been measured periodically based on number of entering customers per store. Local communication channels are diversified and preferred due to positive feedback of local communication during themed communication periods such as religious festivals.

The strategy of increasing interactions with customers via events has proceeded in Boyner and YKM Stores in 2014 as well. Besides events that support themed periods, window painting and April 23rd events for children have gathered positive reactions. Also, collaborations are made with schools in order to increase environmental awareness in children. A giant poster painted by the students from İstanbul, Viranşehir and Cizre, has been displayed on the facade of Şaşkınbakkal Boyner Store on World Environment Day.

Boyner continued to implement marketing concepts supportive of shopping in different categories in order to reinforce current customer loyalty; the company also entered into partnerships with various brands all year long.

Brand presence of Boyner and YKM in digital channels is supported in social media. Daily broadcasts have been made throughout the year from social media accounts followed by especially young customers. Boyner reaches out to 500,000 and YKM to 260,000 social media followers on a daily basis.

At Çarşı stores, communication and marketing activities were planned for each store individually with due consideration of its unique location. Throughout the year, announcements were made related to the budget- friendly, high-quality products and special offer campaigns. During each communication period, campaigns' effect on the increase in store traffic has been measured, and most efficient media blend for each location is determined.

In 2014, a new social responsibility project called "iyiliğe dönüştür", that is "make a favor" which will strengthen the bond of Boyner and YKM brands with their customers has been launched.

LOYALTY PROGRAMS & CUSTOMER NOTIFICATION MANAGEMENT

The number of customers registered under Boyner Loyalty Management is 6.4 million, and the number of YKM Card owners is 4.3 million by the end of 2014. Boyner Loyalty Card has been used in 83% of the shopping in Boyner Stores while YKM Card shopping rate is 88%.

Boyner, YKM and Çarşı stores each have their loyalty programs managed individually and separately in line with the expectations and shopping habits of the respective brand customers. Programs designed

according to customers' expectations and shopping habits aim acquiring new customers, customer retention, regaining passive and lost customers, orienting customers to different categories, increasing number of products per invoice, customer basket, and customer visit frequency. Besides these programs, partnerships with banks and brands made throughout the year support customer gain by general, local and individual campaigns formed by specifying basic needs. In 2014, 313 individual campaigns are launched and gathered 22.6 Million TL in revenues. 41% were created by passive customers while 25% from lost customers.

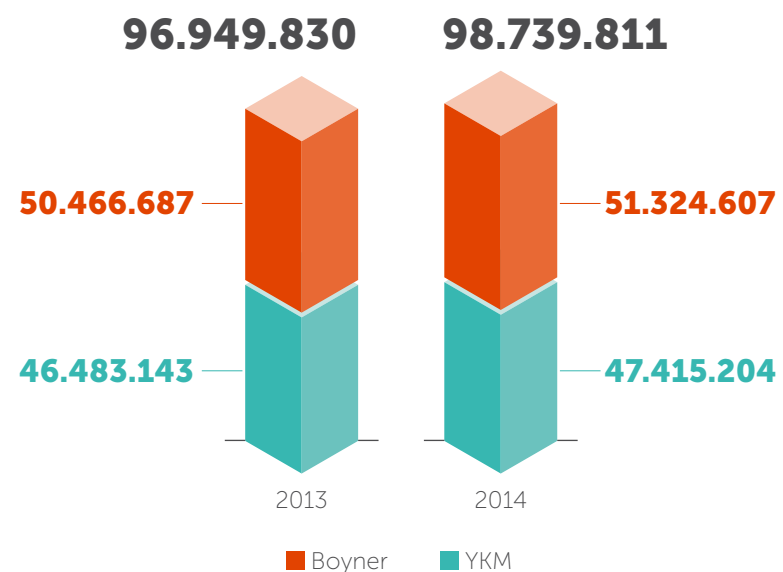
By the data provided by loyalty programs associated with all campaigns including brand campaigns in Boyner and YKM Stores, customer shopping habits are tracked, and customer requests and needs are determined. The aim is providing a better service by getting to know and predetermining the needs of the customers.

Furthermore, as part of efforts to ensure Unconditional Customer Happiness, the Group keeps track of keywords related to its brands in various social media channels, and customer feedback and information from stores and all the other channels are carefully monitored.

In 2015, we aim to increase the frequency of individual campaigns, establish new loyalty programs, make new brand and banking partnership agreements, and communicate with the correct customer through the proper channel at the right time by deep analysis of customer data.

Also, we will integrate the customers voice to the processes and design "reliable, easy to remember and value adding" experiences in all contact channels.

Annual Number of Visitors





A first in Turkey: Smart Window

In 2014, "Akıllı Vitrin" project ("Smart Window") which includes technology and pleasure into shopping has been implemented for the first time in Turkey. Shoppers that stop by Boyner İstinyePark and Boyner Akasya Stores dragged the products of their liking over the models on a special display screen at the window of the store and prepared own combos. And had the advantage of discount shopping and winning surprise gifts. In 2015, we aim to communicate with customers in all channels with similar projects including the technology.

BOYNER COSMETICS: MOST FAVORED AND PREFERRED BRAND IN MALLS

In 2014, in a survey organized by the cooperation of AYD and GFK for the most favored and preferred brands in retail, Boyner Cosmetics has been awarded the first prize in Personal Care and Cosmetics category.

INVESTMENTS

In 2014, 3 Boyner and 3 YKM Stores were opened, while stores that are inefficient and with a terminated lease contract are closed.

Store Openings in 2014

Stores Opened	Location	Opening Date	Net Sales Area
Boyner	Acibadem	March 14	3.870 m ²
Boyner	Gaziantep Prime	April 14	2.051 m ²
Boyner	Sport Cevahir	November 14	1.089 m ²
YKM	Erzurum AVM	May 14	1.384 m ²
YKM	Mall Of İstanbul	September 14	4.691 m ²
YKM	Diyarbakır Ceylan	September 14	3.374 m ²
TOTAL			16.459 m²

In 2014, total sales area reached up to 290,050m². The total number of visitors to all stores were registered as 99 million.

Distribution of Investments Made In 2014

(TRY)	2014
New Store Investments and Renewals	16.576.738
Fixtures	11.290.401
Benefits	82.229
Hardware Software and Others	2.594.646
Total Investments	30.544.013



2014

Boyner Büyük Mağazacılık A.Ş.

HUMAN RESOURCES

In 2014, Boyner Büyük Mağazacılık has implemented projects that relate to many subjects such as **Performance and Career Management, Motivation, Training and Improvement, Staff Loyalty, Recruitment and Internal Communication** under the organization of Human Resources department. By the completion of the integration process with YKM, best implementations in Human Resources area of both companies are taken into consideration and expanded to the entire organization.

Number and Profile of Employees

By December 31, 2014, 3035 male, and 2984 female individuals are employed reaching a total of 6019 under Boyner Büyük Mağazacılık. In 2014, Boyner and YKM opened 6 stores and employed 302 new people. Boyner Büyük Mağazacılık has a young and dynamic staff. Average age of store employees is 29 while it is 35 in head office. Some 70.8% of employees hold a high school degree or higher and 29.2% has earned a Bachelor's or postgraduate degree. More than 75% of our head office employees have Bachelor's or postgraduate degree.

Head Office Organization Improvements

In 2014, Head Office organization was restructured in order to carry our company performance to the top and to be the company that employs the best. Assistant General Managers of **"Strategy & Business Development"**, to take rapid action in competition and to increase efficiency; **"Customer"** to increase being customer oriented; **"Çarşı & Corporate Development"** to reorganize and grow our Çarşı brand; **"Planning & Allocation"** to improve the efficiency of product and sales management; are reorganized.

Human Resources and Administrative Services are combined under the same Assistant General Management according to the needs of our growing organization. Logistics, Operation, Supply Chain Management and Information Technologies are gathered under Operation & Information Technologies Assistant General Management.

Also, special brands that are priority managed on category basis with a production-oriented approach will be managed with brand-oriented approach in order to fulfill the needs of the customers more efficiently and to track brand efficiency, profitability and collections more closely.

Store Organization

A new concept that is more focused on sales and customer is formed for Boyner Akasya store, opened in 2014, where sales and support functions are distinguished by improving the current multistory concept. Sales teams formed from candidates with experience in the sector, high-level education and age average are supported with qualified and intense



training programs. A bonus system encouraging additional premiums on cross-sales and number of products per invoice evaluations besides target/real sales rate is implemented.

Selection and Recruitment

In order to decrease employee turnover and to incorporate talents with positive references, **"İşte Arkadaşım"**, that is "Here's My Friend" project is implemented.

Career Planning and Career Opportunities

Career exams are performed for in-house promotions to support career planning of our employees by evaluating performances under equal opportunity principle.

In 2014, 1582 employees participated in career exams at middle management level. 712 employees who were successful in the exams were interviewed based on their competencies. 558 employees who passed these interviews that reveal their competencies, aims and strengths and weaknesses of development are added to the candidate pool for promotion.

In 2014, 269 employees promoted in the Head Office and Stores depending on the requirements and staff availability.

Training and Development

In 2014, 4566 employees attended to the trainings organized according to the operation targets, projects, personal and professional development needs of our store and Head Office employees

In 2015, we aim to update our training for Generation Y and form a new technology supported training structure with e-learning and video trainings. We aim to provide a 3-day orientation training to newly recruited employees in the Head Office under our motto, "Our Business is Our Customers".

In 2014, 269 employees promoted in the Head Office and Stores depending on the requirements and staff availability.

Internal Communication

In 2014, our intranet portal, MYBOX, was launched in order to increase internal communication and its efficiency. We can share and focus on the developments in the company through MYBOX and use it as an active communication channel, which can be accessed both from the Head Office and our stores.

Motivation

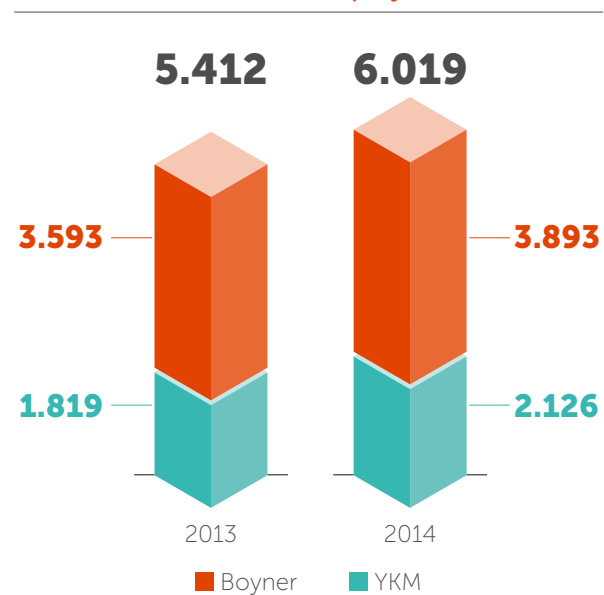
To enhance the head office-store synergy and the motivation of our store employees, **"Mağaza Sponsorları"** (Store Sponsors) project is implemented with the participation of middle and senior managers. 137 managers were appointed as mentors for 144 stores throughout Turkey.

"Fikir Atölyesi" (Idea Workshop) project is implemented to reveal innovative ideas of our store employees. Idea Workshop teams in each store include store employees who want to make a difference with their innovative ideas under the leadership of Store Managers. In 2014, 26 ideas were gathered by Idea Workshop project, which will support our business process after evaluation.

"En İyisen Göster" Project (Show If You Are the Best) which aims to standardize best projects implemented in all Boyner, YKM and Çarşı stores is organized. Projects such as **Sales Riser, Customer Satisfaction Riser, Motivation Rise and Expenditure Minimizer**, which were implemented and yielded positive results are determined.

"En İyisi Ben Diyorsam" Project (If You Say I am The Best), is implemented to determine the Expert Sales Consultants and Sales Consultants in all stores who collaborated the most to the sales and to award their success.

Number of Employees



2014

Boyner Büyük Mağazacılık A.Ş.



Occupational Health and Safety

The objective of our Occupational Health and Safety practices is to provide a healthy and safe workplace to our employees and to support their intellectual, physical and emotional development. We do not limit our practices by legal requirements. We go beyond and take measures that will improve the lives of our employees.

In 2014, 1,499 employees received Occupational Health and Safety training. In addition, Occupational Health and Safety Councils and risk analysis teams started work to create more healthy and secure work environments, and to ensure employee participation in all these processes.

Company	BOYNER BÜYÜK MAĞAZACILIK
	Stores - Head office
Basic OHS Training Number of Attendees	1499
First Aid Training Number of Attendees	74
Fire Training Number of Attendees	40
Hygiene Training Number of Attendees	92
Safe Driving Training Number of Attendees	171
Working with Display Devices Training	49
Ergonomics Training	172
Emergency Training	620

In 2014, we informed our employees and invested in our infrastructure in order to standardize our storage areas. In 2015, we aimed to expand our philosophy of constant monitoring and improvement by providing more frequent information regarding the risks of workplaces.

We control our preventive measures that protect both our employees and our customers in our stores on a regular basis. Also, we cooperate with our experts and store managers to raise awareness and to turn this into a habit.

We analyze the accidents and the responsibilities of sub-employers and review our sanctions and practices accordingly.

Our motto is "İş'te Sağlık" (Health at Work), for our employees to receive more efficient and sustainable preventive-protective health services. CHSU (Common Health Safety Units), which will cooperate with our Head Office and Stores throughout Turkey are determined.

Every year, we organize "Safe Storage Contest" in order to provide a high level of safety in our store storages and to increase employee awareness. In 2014, model storages are awarded the participation of 16 stores.





BEYMEN MAĞAZACILIK A.Ş.

BEYMEN

Club



Founded in: **1971**



Number of Employees: **1.371**



Total Sales Area: **44.196 m²**



Total Number of Stores: **81**



Net Sales: **759 million TL**

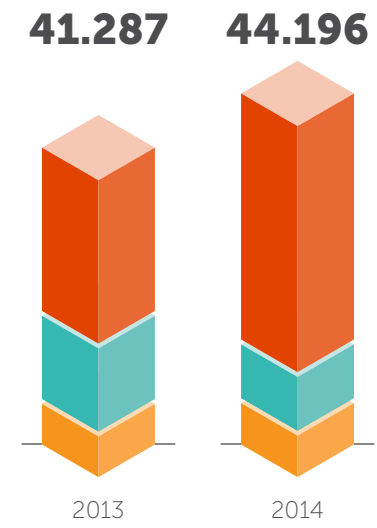


Annual Number of Visitors: **6,8 million**

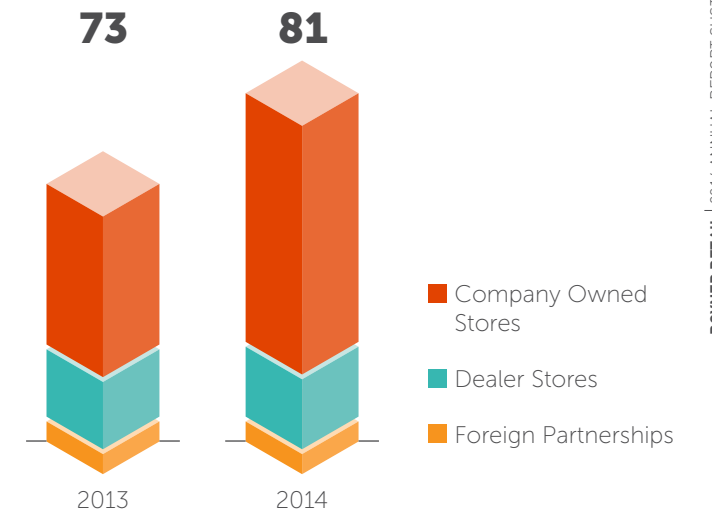
BEYMEN MAĞAZACILIK A.Ş.

As a leading brand, not only in Turkey's luxury retail sector but also globally, Beymen is considered to be the best in its class across the world with the brand's original collections.

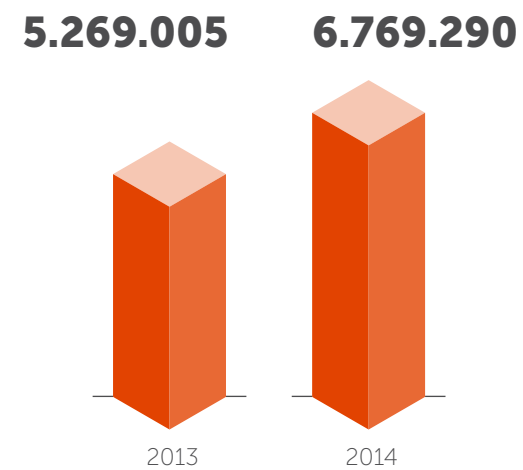
Total Sales Area (m²)



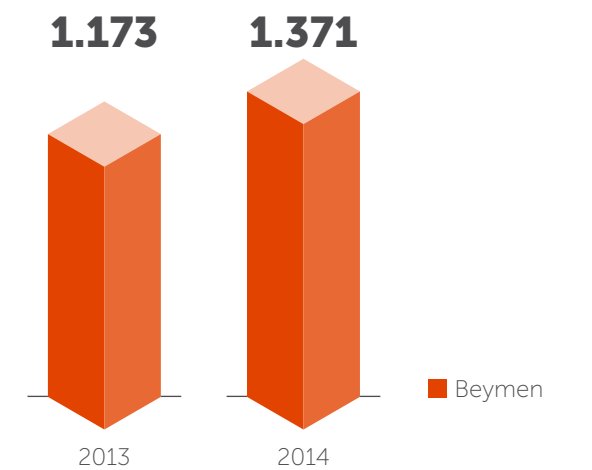
Total Number of Stores



Annual Number of Visitors



Number of Employees



2014

Beymen Mağazacılık
A.Ş.

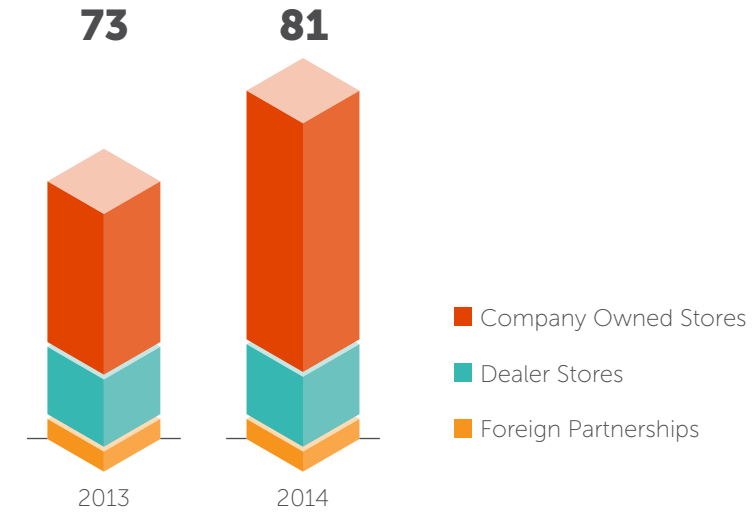


LEADING THE INDUSTRY IN TURKISH AND GLOBAL LUXURY RETAIL

Having opened its first store in 1971, Beymen Mağazacılık A.Ş. today boasts a total of 81 domestic and international stores -including foreign partnerships- representing a variety of retail approaches, with a total area of 44,196 m². In May 2013, Boyner Retail bought back a 50% stake in Beymen from Citi Venture Capital International's subsidiary Fennella S.a.r.l. (former name, Altinyıldız). Today, 100% of Beymen Mağazacılık A.Ş. is under Boyner Retail.

Since its inception, Beymen has figured among the leading players in not only the Turkish fashion industry, but also the global luxury retail sector. Today, Beymen has over 600 world brands under its umbrella, and the company is considered to be among the best in its class in worldwide retail. Beymen is recognized as a model organization in its own as well as other sectors, due to the company's superior retail experience, customer relations approach and customer happiness practices.

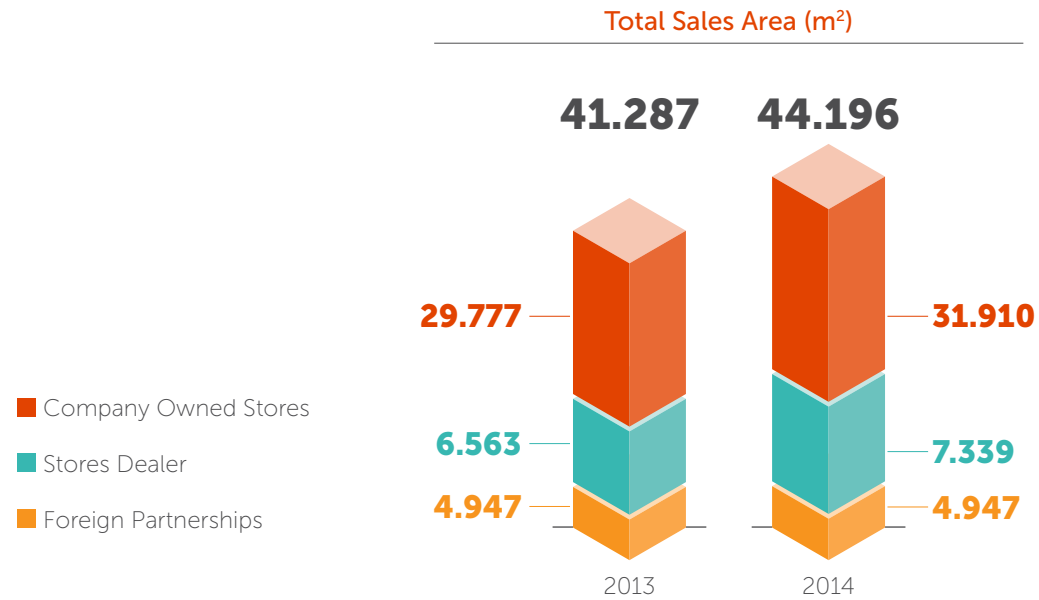
Total Number of Stores



Key Indicators

Number of Stores	2013	2014
Company Owned Stores	47	53
Beymen Multibrand	11	11
Beymen Monobrand	14	18
Beymen Club	22	24
Dealer Stores	20	22
Beymen Multibrand	7	9
Beymen Club	13	13
Beymen Total	67	75
Beymen Multibrand	18	20
Beymen Monobrand	14	18
Beymen Club	35	37
Foreign Partnerships	6	6
Beymen Multibrand (Erbil, Kahire)	2	2
Beymen Monobrand (Dior, Christian Louboutin)	4	4
GRAND TOTAL	73	81

Beymen Mağazacılık A.Ş.



Total Sales Area (m ²)	2013	2014
Company Owned Stores	29.777	31.910
Beymen Multibrand	23.389	24.755
Beymen Monobrand	2.397	2.851
Beymen Club	3.991	4.304
Dealer Stores	6.563	7.339
Beymen Multibrand	4.462	5.208
Beymen Club	2.101	2.131
Beymen Total	36.340	39.249
Foreign Partnerships	4.947	4.947
Beymen Multibrand (Erbil, Kahire)	4.405	4.405
Beymen Monobrand (Dior, Christian Louboutin)	542	542
GRAND TOTAL	41.287	44.196

Milestones

- 1969** The first ready-to-wear manufacturing operation in Turkey was launched in cooperation with Italian fashion designer Silvano Corsini.
- 1971** The first Beymen store was inaugurated in Şişli, Istanbul.
- 1983** Turkey's first "megastore" opened in Ankara.
- 1985** The brand Beymen Club was launched.
- 1987** The "Unconditional Customer Happiness" principle was officially embraced.
- 1990** Beymen Home brand launched.
- 1992** Beymen stores started selling international fashion brands.
- 1992** Beymen Academia brand launched.
- 1994** Beymen Akmerkez was inaugurated.
- 2003** Beymen Nişantaşı store was opened.
- 2003** Prada and Dolce & Gabbana products were offered for sale in Turkey for the first time.
- 2005** Beymen Cairo became the first international store of the brand.
- 2005** Beymen Kavaklıdere store was opened.
- 2007** Beymen İstinye Park was inaugurated.
- 2007** Monobrand boutique retail operations were initiated.
- 2008** Beymen Blender concept was launched.
- 2009** New product categories such as Beymen Chocolate and Beymen Bags were launched.
- 2010** Beymen Academia Women's Collection was rolled out.
- 2010** Beymen.com went live.
- 2011** Beymen Bridal and Beymen Kids categories were created.
- 2012** Beymen Erbil became the second international store.
- 2013** Beymen Aqua Florya store, Turkey's largest fashions retail shop Beymen Zorlu Center, and the Beymen Club flagship stores were all inaugurated. Seven new monobrand boutiques opened in the Zorlu Center.
- 2014** Akasya AVM Beymen and Monobrand boutiques are inaugurated.

STORE FORMATS

The Beymen operation also includes a number of formats, including: Beymen Multibrand and Beymen Club stores, as well as monobrand boutiques Bottega Veneta, Brunello Cucinelli, Christian Louboutin, Dior, Dolce & Gabbana, Etro, Moschino, Pucci, Stella McCartney, Tod's, YSL and Valentino. Beymen's first foreign investment, Beymen Cairo, is located on the premises of the Four Season Hotel and its second international investment, Beymen Erbil, is situated in the Divan Hotel. Total sales area of international stores covers 4,947m².

Beymen Multibrand Stores are luxury retail stores with vast covered spaces which include not only Beymen Collections in Women's and Men's Wear, Beymen Collection Men and the Academia collection, but also over 600 upscale and new generation brands in ready-to-wear, footwear, bags, accessories, jewelry, home accessories and children's clothing.

Beymen Monobrand Stores are branded boutiques that bring leading international fashion brands under the roof of Beymen. Each boutique reflects the global identity of the related brand. As of today, Beymen Monobrand provides services through 18 company-owned stores and 4 stores with foreign partnership. These include Bottega Veneta, Brunello Cucinelli, Dior İstinye Park, Dior Zorlu Center, Dolce&Gabbana Women, Dolce & Gabbana Men, Dolce&Gabbana Zorlu Center, Etro, Christian Louboutin İstinye Park, Christian Louboutin Nişantaşı, Moschino, Pucci, Saint Laurent, Stella McCartney, Tod's, Tory Burch, Marc by Marc Jacobs, Valentino, Akasya IRO, Akasya DVF, Akasya Tods and Akasya Tory Burch stores.

Beymen Club Stores are relatively smaller retail spaces where customers can find a wide range of ready-to-wear for both men and women in categories such as casual wear, stylish and business garments, as well as sportswear. Currently, there are 37 Beymen Club stores. Since November 2010, Beymen also reaches out to customers via the online shopping site Beymen.com.

In addition, Beymen Mağazacılık offers services for different segments and categories with various brands positioned under the Beymen umbrella. The representatives of this creative tradition include Beymen Collection, Beymen Club, and Beymen Academia, as well as Beymen Home, Beymen Chocolate and scarf, bag and leather accessories collections featuring the Beymen logo.



BEYMEN



BEYMEN
Club

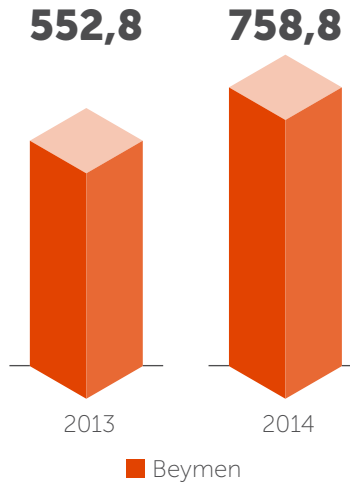
2014

Beymen Mağazacılık A.Ş.

SALES

As a result of the increasing brand and product diversity, infrastructure investments, marketing activities and measures to boost operational productivity, sales through Beymen.com rose 125% compared to the previous year. As a result of the investment projects completed in 2014, Beymen now counts 81 stores across Turkey with an aggregate net sales area of 44,196 m² and a total of 1,371 employees.

Net Sales (Million TL)



MARKETING

As the first Turkish company to embrace and implement the Unconditional Customer Happiness concept, Beymen is keen to offer a world-class retail experience with its luxury product and brand portfolio and superior service quality. At Beymen stores, the customer comes before all else; utmost care is taken to ensure that customers enjoy a flawless experience concerning store atmosphere, products, service and after-sales service.

Beymen is Turkey's leading luxury retail brand and aims to be a brand that shapes the lifestyles of customers through various communications related activities specifically designed according to season, period, special occasions and product categories. Beymen launches new and different applications on top of conventional channels. The company is one of the most active brands in the industry in terms of digital communications and social media use. Beymen stores play host to various presentations to customers, organizations and special events with designers throughout the year, according to a pre-determined calendar. Additionally, Beymen organizes campaigns and brand partnerships according to the periodic and seasonal dynamics of the industry. Customers are hosted in small groups in events held by significant designers and artists of the world, and had the opportunity to chat with the experts, review the products and the collection and make customized purchases. Attendance rate to these events were relatively high and were covered in the media. At Beymen, campaigns are not limited to price discounting, but rather are designed to offer unique experiences to customers in keeping with their respective lifestyle.

Keen on establishing long-term relationships with customers, Beymen pursues an active marketing strategy complete with various customer relations activities.

The Beymen Special Customer Program brings select customers an exclusive experience full of offers in line with their preferences and shopping habits. The program features different segments such as VIP, Platinum, Gold, and Beige. Beymen also places special importance on marketing activities geared towards acquiring new customers. The New Customer Welcoming Program includes telephone calls, Beymen World e-mails, and special offers to reinforce their relationship with Beymen. Customer activities at Beymen stores are regularly monitored by a variety of criteria such as frequency and volume, and activities are organized to retain customers.

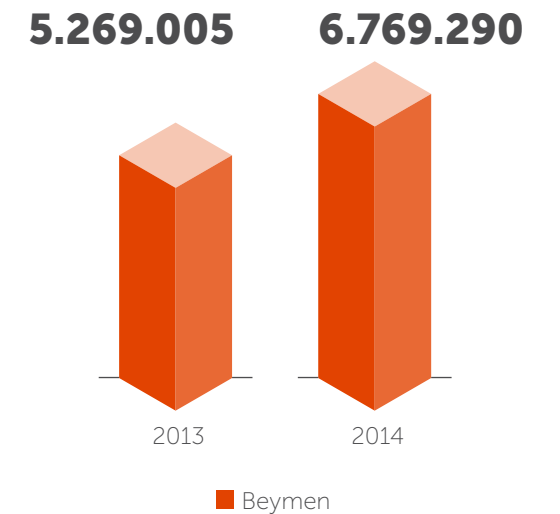
Since the use of social media and mailing is regularly increasing, customers are informed about current trends via digital magazine besides product and collection promotions in social media.

INVESTMENTS

In 2014, Beymen opened Akasya Beymen, Beymen Club and 4 monobrand boutiques in Istanbul besides 2 Club stores. As a result of the investment projects completed in 2014, Beymen now counts 81 stores across Turkey with an aggregate net sales area of 44,196 m² and a total of 1,371 employees.

Beymen Mağazacılık has 1,371 employees. New stores that opened in 2014 provided employment for 109 in head office, 526 in stores, with a total of 635 people, with the increase in business volume and a new line of work such as e-commerce.

Annual Number of Visitors



2014

Beymen Mağazacılık A.Ş.



HUMAN RESOURCES

Beymen Human Resources works to support and empower Beymen employees who are wholly committed to the company's Unconditional Customer Happiness principle, innovative in their approach and keen to develop themselves and their business. As a result of the career opportunities, training and development programs, motivation and award systems offered to the employees, Beymen ranks among the most preferred employers in the retail industry.

Career and Performance Management

Beymen implements performance management systems that include head office and store employees. Field sales staff is evaluated on a monthly basis through an integrated performance management system and bonus system. Head office employees up to the director level and field managers are assessed by a performance management system with targets set at the beginning of each year.

The Corporate balanced score card system covers head office directors and general managers and is focused on annual objectives in the areas of Finance, Customers, Internal Processes and Operation, Human Resources and Development.

Beymen store managers attend to the "Evaluation Center" during promotion. Also, they participate in the evaluation exam which technical information regarding all functions are measured. Exam results are evaluated alongside other promotion criteria to create career plans. Aside from the managers, each sales consultant with a superior performance who fulfills certain criteria and is part of the candidate pool passes through such processes specific to her/ his level, is prepared for the next level and monitored through a mentorship program.

Furthermore, employee progress in different areas is measured through a wide range of assessment tools such as personality inventories, performance/potentials matrix, and performance management. Professional or personal development programs are organized to support employees in this respect. Mentorship is another method frequently used to bolster development.

Beymen prioritizes its employees in promotions to job openings. In 2014, 11% of all employees (147 personnel) were promoted to the next level. **60% of the employees who promoted were male, while 40% are female.**

In order to enhance staff loyalty, different projects were developed in 2014. In line with the company objectives, foreign language bonus for store employees is included in the system. The languages were determined as English, Russian, Arabic and Chinese. This system has been implemented in order to support store employees during their first year.

New career paths are defined as Sales Management and Customer Sales by clarifying the structure in the stores. Thus, a group proceeded their career on sales/team management while the other group on private sales.

In order to strengthen monobrand employee profile and to sustain consistency, brand-specific recruitment is made, training and development programs are performed, and award system is implemented.

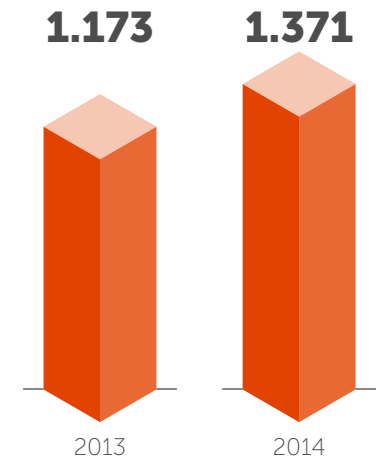
Additionally, in order for university graduates to consider retailing as a career path, university students are employed part-time.

Number and Profile of Employees

In 2014, 635 new employees were recruited in Beymen.

As of December 31, 2014, Boyner Büyük Mağazacılık has a total of 1,371 employees. Average age of store employees is 31 while it is 33 in head office. Some 53% of the company's employees are graduates of high school or equivalent institutions while 36% hold an undergraduate or a higher degree. 19% of Head Office employees are graduates of high school or equivalent institutions while 71% hold and undergraduate or a higher degree.

Number of Employees



■ Beymen

		Head Office Male	Head Office Female	Head Office Total	Stores Male	Stores Female	Stores Total	Grand Total
Training	Primary School	10	18	28	72	36	108	136
	High School	13	40	53	438	244	682	735
	University	92	110	202	168	130	298	500
Average Age		34	32	33	32	31	31	32



2014

Beymen Mağazacılık A.Ş.

Beymen Trainings

Anyone employed in Beymen attends orientation trainings as well as other training programs throughout the year under the main titles of beginners, sales managements and personal development for employees. Catalog and annual training calendar that involves the trainings throughout the year is published in January.

Beginners Trainings: This section includes Orientation, My Career Journey in Beymen Begins, Past, Today and History of Fashion, Brand/Seasons trainings, Personal Image Principles, Human Resources Processes, Basic Occupational Health and Safety trainings and Apprenticeship programs in Beymen.

Sales Trainings: It involves My Career Journey in Beymen Continues, Terminal Usage, Product Review, Customer Relations, Color of Life, Denim Training, Men's Style Training, MTM- Special Sewing Trainings, Boutique Brands Training, Cashier Team Training, Private Shopper Training, Visual Arrangement Standards Training, Analysis with Colors, Mystery Shopper Practice and Beymen Retailing Certificate programs.

Beymen Retailing Certificate Program is created with the collaboration of Istanbul Fashion Academy. The subjects covered are General Culture of Fashion, Product and Collection Information, Sales and Marketing in Retail, Management Skills, and Personal Development.

Manager Trainings: It includes Store Manager Development Program, Coaching and Feedback, Leadership Development Program, Performance Management, Competence Based Interviewing Techniques, Team Work and Management, Leadership, Working with Y Generation programs.

Personal Development Trainings: It includes Training the Trainer, Time and Stress Management, Effective Communication, Presentation Techniques, Conflict Management / Persuasion Skills, Emotional Intelligence, Using the Power of Emotions, Writing Techniques, MS Office Programs and Foreign Language trainings.

Company seminars held in 2014 were conducted with the participation of 3,742 individuals who received 82,657 hours of training. Number of female employees attended training are 1,534.

Employee Happiness

In addition to organizing personal and professional development seminars, the Boyner Group has become the first company in Turkey to celebrate December 12th Retail Employees' Day to honor its employees, who architect the experience presented to customers. On this particular occasion, we recognized the value that employees add to our business through various events.

Occupational Health and Safety

Our occupational health and safety efforts are expended with a comprehensive view to providing a healthy and safe work environment for our employees and to promote their mental, physical, spiritual and emotional development. In 2014, 725 employees received Occupational Health and Safety training. In addition, Occupational Health and Safety Councils and risk analysis teams started work to create more healthy and secure work environments, and to ensure employee participation in all these processes. Together with Boyner Group, we published our Occupational Health and Safety Handbook specific to our industry's needs and shared it with the entire workforce.





DIVARESE

fabrika

NetWork

QUE



Founded in: **2008**



Number of Employees: **1.333**



Total Sales Area: **33.898 m²**



Total Number of Stores: **172**



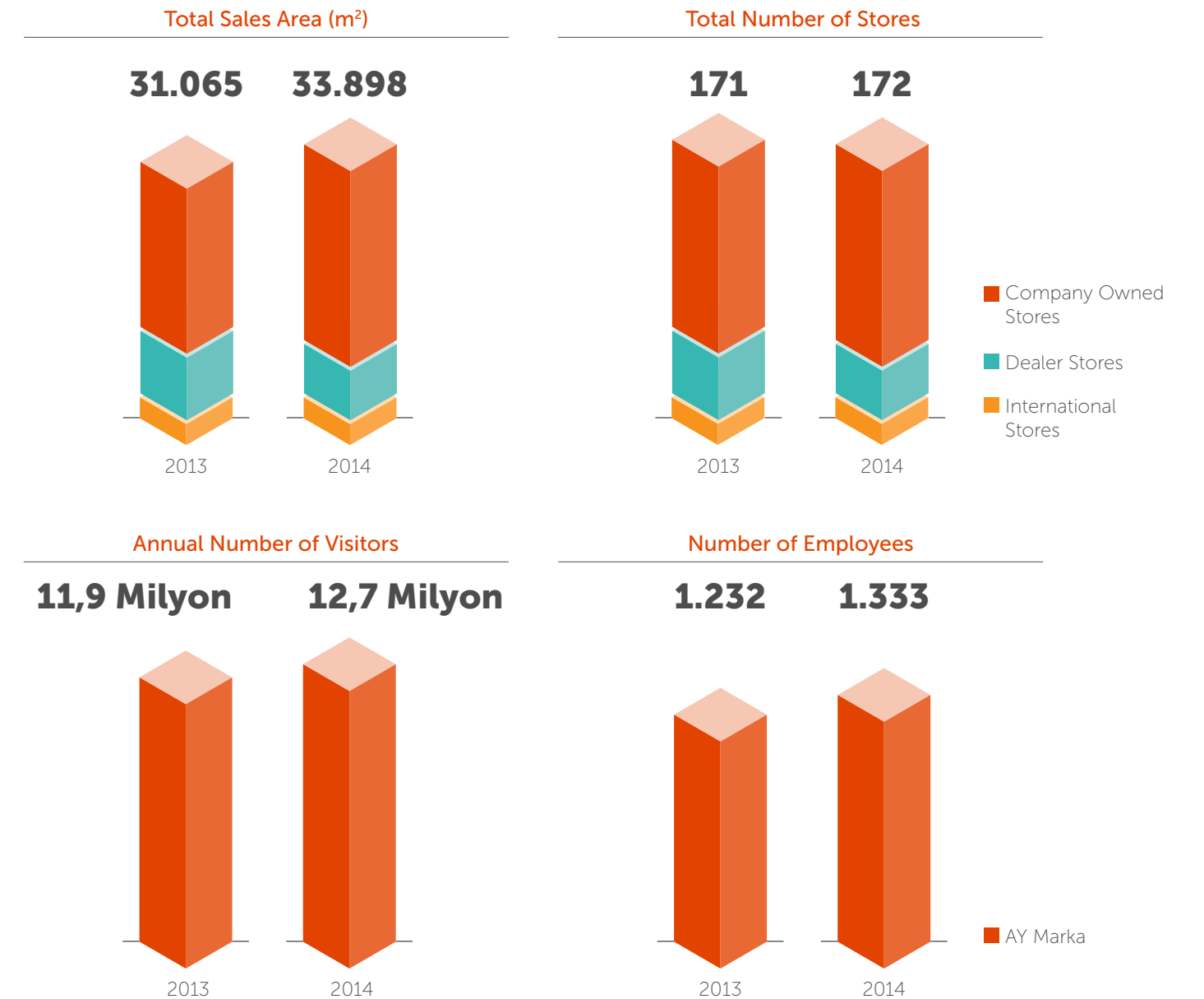
Net Sales: **481 million TL**



Annual Number of Visitors: **12,7 million**

AY MARKA MAĞAZACILIK A.Ş.

AY Marka Mağazacılık shapes the fashion trends in Turkey through its famous and exceptional brands in ready-to-wear, each of which appeals to the style needs of a specific consumer segment. The company continues to differentiate itself further by ensuring customer happiness in all channels, including domestic and overseas stores, and in all aspects including product diversity and after-sales services.



VAST PRODUCT DIVERSITY FOR CUSTOMERS WITH DIFFERENT PROFILES

One of the leading companies which shapes the Turkish ready-to-wear and accessories industries, AY Marka Mağazacılık A.Ş. offers customers such brands as NetWork, Fabrika, Que, Beymen Business, and Divarese through 158 stores located in 25 Turkish provinces as well as 14 overseas shops in Abkhazia, Azerbaijan, UAE, Kazakhstan, Kyrgyzstan, North Cyprus, Russia and Saudi Arabia. AY Marka brands are also delivered to customers through three online stores and sales points situated in Boyner/YKM department stores.

As a deeply-rooted Turkish brand, Altinyıldız launched its first namesake ready-to-wear collection in 1997 and formed a retail marketing department for this purpose. Altinyıldız created the brand NetWork for young professionals in 1999, followed in 2000 by Fabrika, which appeals to a wider customer base. In 2007, the company launched the Que brand. Following the creation of such successful brands one after the other, Altinyıldız's in-house retail department was transformed into a huge textile retail company. "AY Marka Mağazacılık A.Ş."

AY Marka acquired an independent legal identity in October 2008 as an Altinyıldız subsidiary.

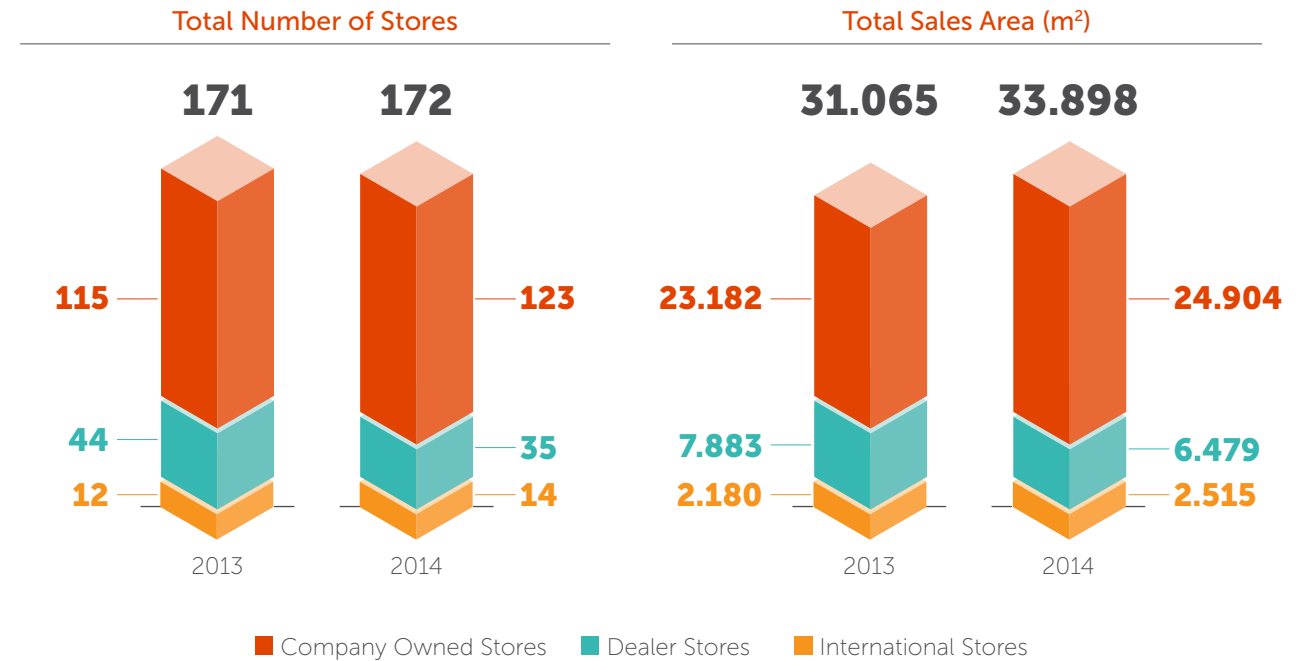
AY Marka assumed the design, manufacturing, sales and marketing operations of the Beymen Business brand in 2009 via a 10-year license contract. Divarese operations followed suit in 2010 and after one year of operation in 2011 Divarese brand is acquired.

In line with the importance, it places on design and total quality, AY Marka's main target is to become and remain a profitable and leading company. AY Marka plans to achieve that goal while upholding a philosophy of success; prioritizing the interests and happiness of employees, partners, customers and last but not least, the society at large; and by remaining committed to the belief that success is not simply a corporate objective but rather a captivating journey.

In 2015, AY Marka's main goal is to focus on efficiency in order to boost sales income and gross profitability. In addition, the company is keen to expand online sales significantly via the websites and increase customer numbers and the share of purchasing customers via CRM studies.



KEY INDICATORS



Number of Stores*	NetWork		Fabrika		NetWork Fabrika		Que		Divarese		Outlet		Total	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Company Sales Points	24	30	21	21	22	26	4	5	31	28	13	13	115	123
Dealer Sales Points	9	9	11	7	5	4	0	0	3	0	16	15	44	35
Total	33	39	32	28	27	30	4	5	34	28	29	28	159	158

Store Area (m²)*	NetWork		Fabrika		NetWork Fabrika		Que		Divarese		Outlet		Total	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Company Sales Points	5,526	6,469	4,406	4,514	6,317	7,370	436	540	2,713	2,287	3,784	3,724	23,182	24,904
Dealer Sales Points	1,602	1,602	1,505	960	1,061	730	0	0	253	0	3,462	3,187	7,883	6,479
Total	7,128	8,071	5,911	5,474	7,378	8,100	436	540	2,966	2,287	7,246	6,911	31,065	31,383

* International stores are not included.

2014

AY Marka Mağazacılık A.Ş.

Milestones

- 1997** Altinyıldız entered the ready-to-wear sector with its in-house Retail Department.
- 1999** Network was launched, becoming the first ever brand to appeal to businesswomen in Turkey
- 2000** The Group launched Fabrika, as a brand offering apparel ideal for both business and casual wear, by blending fashion with the fast tempo of professional life.
- 2003** NetWork initiated the first ever cooperation between a designer and brand in the industry.
- 2007** NetWork joined the Turquality category of brands.
- 2007** Que was launched.
- 2008** AY Marka acquired an independent legal identity.
- 2009** Beymen Business joined AY Marka together with 10- year licensing rights.
- 2010** The Divarese operation and T-box brand became part of AY Marka.
- 2013** The websites of NetWork, Fabrika, and Divarese, went live.
- 2014** AY Marka moved to its new head office.

AY MARKA BRANDS

NetWork

NetWork collections represent a refined style that can be enjoyed by urban women and men both day and night. NetWork products adapt to the fast tempo of everyday modern life and stand out with their original details and high-quality fabric.

The choice of the word "NetWork" as the brand's name is deliberate and meaningful. NetWork's launch corresponded to the beginning of a new millennium that heralded the start of a new age of information and technology across the world. As a result, the NetWork concept was well and widely received as the brand name for a dynamic, strong and self-confident collections in tune with the new era. Another reason for the choice of this particular name was the fact that the creation of our collections is the product of a vast network, spanning the manufacture of the yarn, fabric, and the garment. In addition, given that business professionals constitute the target customer group, the word "work" has a deep association.

By launching the sub-brand "Limited" in August 2004, NetWork became the first Turkish ready-to-wear brand to offer customers the exclusivity of limited edition garments, produced in a limited number.

Network, always prioritizing its innovative attitude with its line in the collection, has debuted 3 new lines in summer of 2012. "NetWork Zone" uses daring cuts and a striking color range to blend the season's trends with modern NetWork designs. Meanwhile, "NetWork Touch" couples the serenity of weekends with timeless NetWork designs to help individuals unwind from the fast tempo of modern life. Finally, "NetWork Black" adds even more pieces to the NetWork wardrobes of both men and women with its light fabrics and colors, bringing the sparkle of nightlife to NetWork's timeless designs, while breathing new life into formal wear with a vast range of tuxedos and evening gowns featuring unmatched quality in terms of fabric and cut.

NetWork, which facilitates the spread of design across everyday life, celebrated its tenth anniversary with the project "10 Artists, 10 Traces." Works by 10 pioneering artists from 10 disciplines, including painting, photography, dance and literature, were exhibited in NetWork stores as part of the project.

Celebrities such as the world-famous film star Sienna Miller and Sex and the City's "Mr. Big" Chris Noth have taken to the runway as models for NetWork.

In 2011, NetWork launched its perfume Timeless at Istanbul's historic Binbirdirek Cistern with a mesmerizing four-dimensional technology show blending image, sound and music with fragrance. At Fashion's Night Out, NetWork models appeared in virtual reality at NetWork stores through the use of augmented reality technology.

NetWork's pioneering role among innovative brands is reinforced with products such as the light and chic jackets of the Feel series, which have no padding or undercoating, the seam-free knitwear of the Seamless series, The brand also stands out as a "Social NetWork" with its large footprint on Facebook, Twitter, and Instagram. NetWork also shares the latest designs and trends from across the world with its followers on the brand's fashion and design blog, "Netlife."

Fabrika

Customers await the launch of Fabrika collections each season with much excitement and anticipation. Having come to life in the year 2000, the brand offers fashion-conscious men and women products ideal for day and night, for weekdays and weekends.

Rising to prominence thanks to its ideal and chic line, "Fabrika Nite" offers unmatched options for special occasion events, receptions, and parties. "Fabrika Ready-to-Fit," on the other hand, makes life easier with its 12 sizes tailored for four different heights. Featuring irreplaceable items for every wardrobe, "Must-Have" has become everyone's favorite clothing line.

Fabrika offers everyone the road to building an impeccable personal style with its vast and diverse range of bags, shoes, jewelry and belts. Fabrika is also the first Turkish brand to use nanotechnology fabrics, which are resistant to dust, water, and stains. Fabrika has made a distinguished name for itself since 2000 with its innovative trends, becoming the first choice for stylish women and men.

Divarese

Divarese first entered the fashion world back in 1899 in Italy. Boasting over a century of know-how, Divarese entered the Turkish market in 2000 and started to shape the shoe and bag segments with its innovative and authentic collections. Reinterpreting seasonal trends through its unique perspective, Divarese produces shoes and bags that transcend the category of mere accessories and offers fashion-lovers the latest trends in its stores.

Divarese stores also offer numerous other international fashion brands that set global trends. Of these, George Hogg is well-known across the world for its business style and timeless designs, and reconfirms its market leading position in shoes every single season. Much appreciated among stylish women and men, Divarese differentiates itself in the marketplace with its impressive designs.



NetWork.com.tr
Your shopping network

NetWork



QUE

QUE.COM.TR

DIVARESE



104 ALIŞVERİŞ RAHATLIĞI
www.divarese.com.tr

fabrika

HEMEN ŞİMDİ ALIŞVERİŞ İÇİN
www.fabrika-tr.com

2014

AY Marka
Mağazacılık A.Ş.

Que

In the Autumn-Winter 2007-2008 season, Que joined the Turkish ready-to-wear sector as the brand for self-confident, bold and original men and women with a sharp sense of design. Que's relaxed and contemporary designs mainly appeal to multi-faceted, forward, unique and exceptional personalities with a keen awareness of design and quality.

Que's women's collections portray modern women who are self-confident, keep abreast of the rapidly changing world, and who like to stand out with an extraordinary taste in design. Que's fitted, crisp and ambitious image reinterprets the designs of the past for contemporary women through a 'retro-future' effect. The Que men's collection, on the other hand, is a reflection of extraordinary men who opt for materials and designs that break out of the routine. Inspired by all arts disciplines, the Que men's collection reinterprets global trends through a unique approach to its fitted cuts and styling details.

The Que accessories collection features accessories that complement its original apparel designs. The collection stands out with its striking details in patent leather; suede and leather added to shoes, bags, gloves, and jewelry.

Beymen Business

In 2009, AY Marka Mağazacılık acquired the license for Beymen Business. Beymen Business is positioned as the brand for women and men who want to appear modern and chic in the fast tempo of today's business environment. The brand particularly targets sociable women and men with similar tastes in weekday and weekend clothing, who have clearly defined preferences, an interest in technology and a busy business travel schedule.

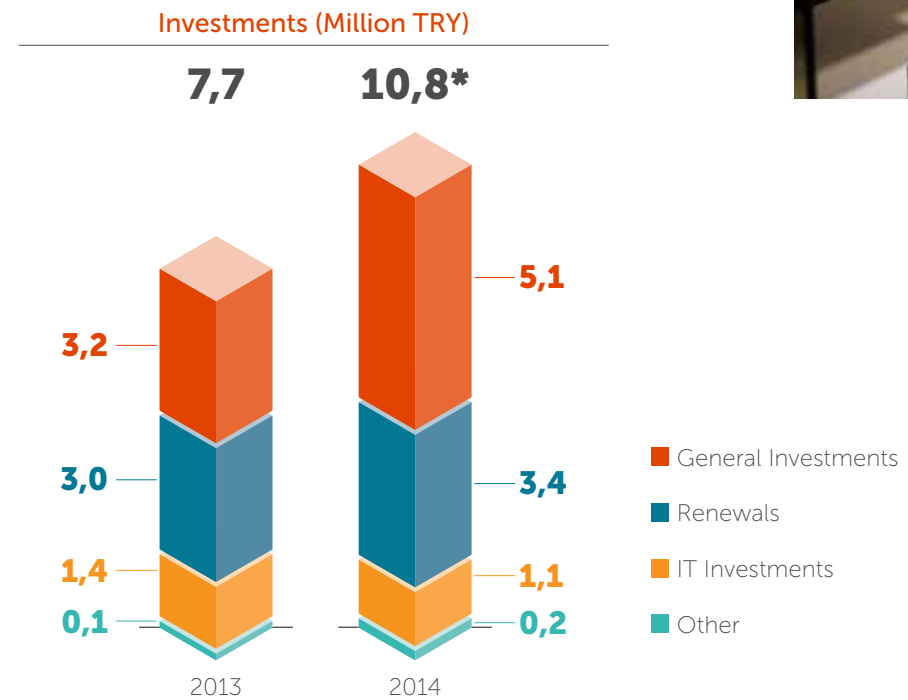
.com Sales Channel

AY Marka Mağazacılık uses all sales channels in the retail sector actively. Network has launched its online sales on July 2013 while Fabrika and Divarese in September 2013. Online domestic sales channels have become the highest profit sales channel in a short time and have been placed among the first 5 stores performing the highest sales performance. Our online channel providing many services such as free shipping, free tailoring modifications, 30 days return, in-store delivery and in-store product change will include Que by the end half of 2015.

AY Marka makes a point of ensuring customer happiness in every facet of its business, from product diversity to after-sales services. The company blends the power, know-how and experience of its brands with new business methods. AY Marka offers customers with distinct profiles a wide range of products to help them express themselves in the best manner, and devises strategies in tune with the target audience and promise of every individual brand.

Boasting a flexible structure and a young and well-trained team keen on producing solutions in line with the dynamism of today's modern life, AY Marka strives to elevate its brands to even higher levels with the company's original designs and total quality approach.

INVESTMENTS



*880, 096 Goodwill is included.

Stores with insufficient performance during 2014 are closed down while 12 new stores are opened. Additionally, 6 dealer stores are taken over and included in AY Marka management. Our 5 stores opened Akasya AVM, popular shopping mall on the Anatolian side of Istanbul, has been appreciated by our customer and stood out even in such a short time.

Our new IT infrastructure was enabled in 2013 and in 2014; we put much effort into our SAP project. In 2014, SAP provided us productivity surge in all business processes and more rapid and healthier strategic management decision-making. Also in 2015, SAP will support our improvement and corporate growth with its new modules.

On the other hand, e-commerce stores opened during the second half of 2013 has exhibited record growth in 2014. We believe that growth in this sales channel will proceed without slowing down in 2015 with the launching of Que online store.

Another investment in 2014 was our new main office building. Our Yeni Bosna office has provided a pleasant working environment to all employees with its elite look and functional structure facilitating communications between all departments.



2014

AY Marka
Mağazacılık A.Ş.



HUMAN RESOURCES

AY Marka Human Resources is a proactive department which plays a crucial role in the company's strategic decision-making processes. In line with company goals and cooperation with other departments, Human Resources operate with a results-oriented approach and a focus on success. AY Marka Mağazacılık expanded its operations in 2014 by 17 new stores and 249 employments.

Career and Performance Management

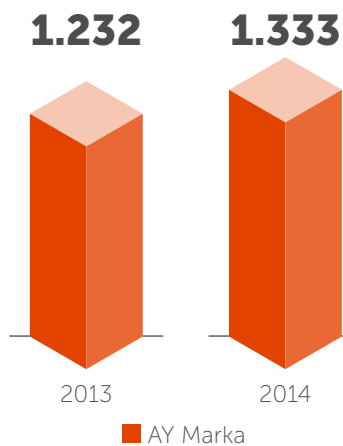
AY Marka employees build their career on the basis of their individual performance. Every employee is the leader of his or her business. In managerial promotions, the company gives priority to personnel according to their individual competence and performance. AY Marka does its utmost to recruit the company's managers from within the organization. When job openings arise, priority is given to current employees as well as external candidates proposed by personnel via the recruitment program, "Benim de Pay'im var" (I have a Share, too). Employees are informed about in-house positions and their requirements if any. Internal candidates who consider themselves as fit for the job can file an application with their respective manager and the Human Resources Department.

At AY Marka, promotion is directly related to success and can function both vertically or horizontally. Changes in authority and responsibilities by promotion enables change in salary as well. In order to transition to the next level, the candidate is expected to possess the knowledge and experience outlined in the target job definition. The most important criterion here is the individual's performance level. At AY Marka, career advancement is not limited to in-house positions. Employees can also be shifted to other Group companies according to their performance.

Number and Profile of Employees

As of December 31, 2014, AY Marka Mağazacılık has a total of 1,333 employees. The average age of employees is 31. The average age in the head office is 35 while that of store employees stands at 30.

Number of Employees



	FEMALE	MALE	TOTAL
Average Age	29	31	31
Headquarters	34	36	35
Stores	28	30	30
Total Personnel	559	774	1333
Headquarters	96	111	207
Stores	463	663	1126

Personal and Professional Development Training

All AY Marka personnel participate in orientation training. In 2014, Sales Techniques, Being Customer Oriented, Inventory, Cashier, CRM, Product & Collection trainings are provided as professional trainings. As development trainings, Situational Coaching and Get to Know Person trainings are given. Also, Coaching trainings are provided to managers in the head office to determine development areas and increase awareness accordingly. In 2014, 1512 people are trained in total. (Male 929 - Female 583)

Employee Happiness

In order to enhance employee motivation and productivity, and ensure the satisfaction of personnel in the workplace, we contributed to employees' social, intellectual and professional advancement through a diverse range of events. December 12th Retail Employee's Day has been celebrated in AY Marka, as in all Boyner Group companies, by the letter of thanks of our General Manager, special ads in newspapers, greeting videos in social media and gift drawings for employees, gift chocolates, gift certificates and special discount rates loaded to Boyner employee cards.

Our **Star Sellers**, activity continued until the end of 2014. Furthermore, we emphasized the trust we place in our employees by honoring their proposals of new recruits through the "I have a Share, too" project. We have filled the empty positions in this project with the candidates suggested by our employees and those evaluated as positive according to the criteria determined.

Occupational Health and Safety

Our occupational health and safety efforts are expended with a comprehensive view to providing a healthy and safe work environment for our employees and to promote their mental, physical, spiritual and emotional development. In 2014, 286 employees received Occupational Health and Safety training. In addition, Occupational Health and Safety Councils and risk analysis teams started work to create more healthy and secure work environments, and to ensure employee participation in all these processes. Together with Boyner Group, we published our Occupational Health and Safety Handbook specific to our industry's needs and shared it with the entire workforce. We also inform our employees with Occupational Health and Safety Manual prepared by Boyner Group.





ALTINYILDIZ TEKSTİL VE KONFEKSİYON A.Ş.

ALTINYILDIZ



Founded in: **1952**



Number of Employees: **1,721**



Textile Capacity: **10 million meters**



Textile Production Capacity: **9.4 million meters**



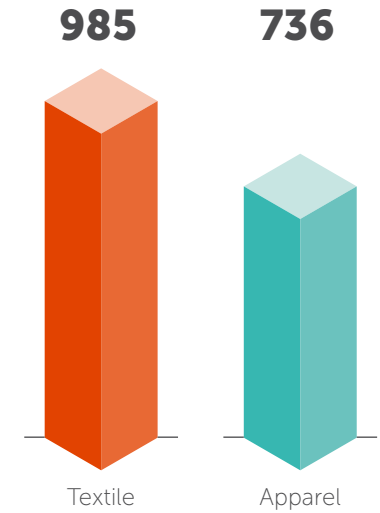
Net Sales: **277.1 million TRY**

ALTINYILDIZ TEKSTİL VE KONFEKSİYON A.Ş.

Net Sales (Million TL)



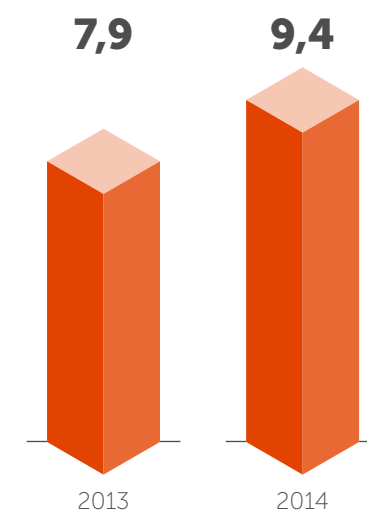
Number of Employees



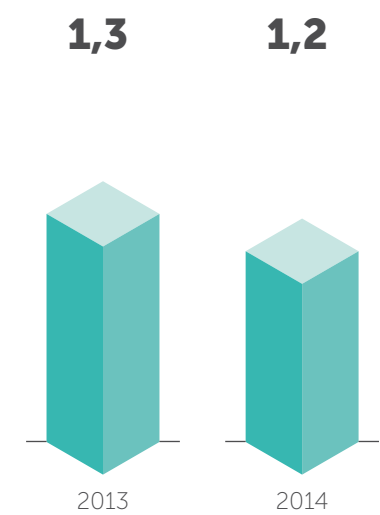
* Cross sales of textile and apparel has been eliminated.

■ Textile ■ Apparel

Sales Amount (Million meters)



Sales Amount (Million units)



■ Textile

■ Apparel

Altinyıldız Tekstil ve Konfeksiyon A.Ş.

Textile and Apparel

Milestones

- 1952** Altinyıldız Tekstil ve Konfeksiyon A.Ş. was founded.
- 1956** The company's first exports were carried out.
- 1971** Apparel Department is founded.
- 1991** Altinyıldız held its IPO.
- 1992** ISO 9001 Quality Certification was obtained.
- 1996** The Australian Super Fine Wool Growers Association accepted the company for membership.
- 1997** The Integrated Heat and Power Plant was established.
- 1997** Altinyıldız launched its first own-brand collection.
- 1999** The NetWork brand was created for businessmen and women.
- 2000** The brand Fabrika was launched.
- 2003** The company patented the Formula 1 technology.
- 2007** The design brand Que was launched.
- 2008** AY Marka Mağazacılık gained a separate legal identity.
- 2010** Altinyıldız started to produce fabric with nanotechnology.
- 2011** The Techno Climatic series was added to the product portfolio.
- 2011** The ISO 14064 Scope 3 study was approved by BSI. Altinyıldız Turkey is the first and sole company that performs emission calculations in its sector.
- 2013** In late 2013, the Company transferred its textile and garment operations to the wholly owned subsidiary Altinyıldız Tekstil ve Konfeksiyon A.Ş.
- 2014** By relocating the whole team in Çerkezköy, Altinyıldız has acquired a strong and dynamic structure and therefore reflected this synergy more efficiently in 2014.
- 2014** The ISO 14064 Scope 3 study was approved by BSI.

ADVANCED QUALITY STANDARDS, HIGH PRODUCTIVITY, AND TIMELY MANUFACTURING

Active in the wool fabric industry since 1952, Altinyıldız moved to its new Çerkezköy manufacturing site in 2011. Today with 81,476 m² covered area, Altinyıldız facility is one of the largest in wool fabric production in the world.

Altinyıldız carried out its first export operation in 1956. The company earned ISO 9001 quality certification in 1992. In 1996, Altinyıldız was accepted into the Australian Super Fine Wool Growers Association. In 1997, the company established its own 5.5 MW Integrated Heat and Power Plant, which was later transferred to the new plant in Çerkezköy in 2011.

Altinyıldız has the largest sales potential in the domestic wool fabric segment, Altinyıldız carries out overseas sales through its sales offices the USA and via sales representatives in Germany, the Netherlands, France, the UK, Russia, Finland, Australia and Spain.

In 2003, Altinyıldız was issued a patent for the Formula 1 technology imported from Italy, and the company invested USD 1 million in its finishing machinery. Thanks to these machines, the company made a significant breakthrough by implementing modern, high-technology and chemical finishes and producing special fabric series such as "Powertech," "Powerplus," "Linenplus" and "Silktouch." The company's technological advances continued with the launch of stain- and water-resistant "Altinyıldız Nano" in 2010, followed in 2011 by "Techno" which maintains its fresh new appearance for years, and "Techno Climatic" which reflects infrared rays and thus insulates the body against heat. By adding these series to its product portfolio, Altinyıldız has further enhanced the company's innovative and competitive position in the textile industry.

KEY INDICATORS

	Textile	Apparel
Capacity (in-house)	10.000.000 meters	587.500 units
Production Volume (2014)	9.400.000 meters	1.187.426 units
Net Sales (2014)	TRY 182,8 million	TRY 110,8 million
Number of Employees	985	736

Altinyıldız entered the ready-to-wear sector after signing a consultancy and technical cooperation agreement with Italy's Forall Group in 1995.

In 1997, the first Altinyıldız-branded men's collection was offered to customers. In September 1999, Altinyıldız women's collection has been launched. The same year, "NetWork" brand is created. The next year, the brand "Fabrika" was launched, followed by "Que" in 2007.

As a result of the vast expansion of the company's business volume due to the creation and launch of a number of new brands, AY Marka Mağazacılık was separated from Altinyıldız in 2008 and was given a legal identity as an independent retail company. In addition to supplying for its Group brands, Altinyıldız also manufactures ready-to-wear for numerous domestic and overseas firms. The company has become the choice of top-tier customers owing to its advanced quality standards, high productivity, and timely manufacturing. In addition to the Group brands Altinyıldız Classics, NetWork, Fabrika, Que, Beymen Business and Beymen Club, the company produces for world-renowned brands such as Ann Taylor, Express, Tommy Hilfiger, Massimo Dutti, Zara, H&M, Calvin Klein, Brooks Brothers and Banana Republic.



SALES AND MARKETING

The effect of importation from the Far East and the recession in the world markets has motivated Altinyıldız to reorganize. As a result, the company rationalized its less profitable products and customers, especially in the domestic market. This more efficient and bottom-line focused system will start to bear fruit in 2014.

Altinyıldız, striving to adopt to fast fashion trend caused by technology having its impact on every aspect of life, has focused on strategies as trend analysis, forecast activities, knowing the customer better, fore thinking and providing customer's needs.

Since a sales strategy that is solely product-focused is vulnerable to global price competition, Altinyıldız embraced an approach that integrates product and service in its overseas sales and moved towards the service and product development initiatives.

Altinyıldız carries out around 75% of its domestic textile sales through 12 primary dealers centered in Istanbul.

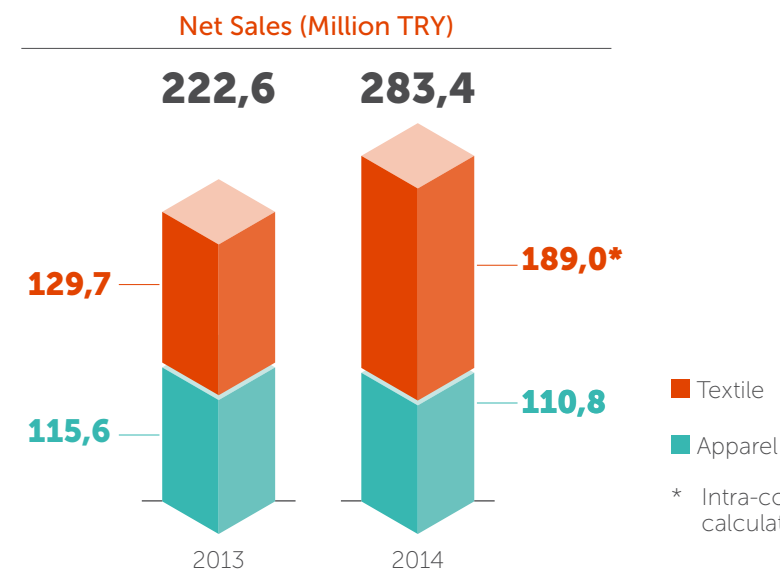
These dealers distribute the company's products across Turkey via their sub-dealers. The other sales channels for the domestic market are apparel retail chains and Boyner Group companies. In 2014, 13% of domestic sales were to Boyner Group company BR Mağazacılık, which is in charge of the retail operations of Beymen Business and Altinyıldız Classics brands across Turkey.

Altinyıldız has sold approximately 90% of its domestic market sales to its biggest customer AY Marka, 7% to other Boyner Group companies (BR Mağazacılık, BBM, Beymen).

Exports are carried out via Altinyıldız sales offices the USA, and the company's sales representatives in Germany, the Netherlands, France, the UK, Russia, Finland, Australia and Spain. In 2014, approximately 22% of the total sales were made to foreign markets, gathering almost 60 million TRY:

Sales Volume	2013	2014
Textile (million meters)	7,9	9,4
Apparel (Million Units)	1,3	1,2

Net Sales (Million TL)	2013	2014
Consolidated Net Sales*	222,6	283,4
Textile	129,7	189,0
Apparel	115,6	110,8



RESEARCH AND DEVELOPMENT

In world fashion, as high design quality and value added products are being preferred, Altinyıldız aims to design different and contemporary collections and develop target population oriented design concepts in the fashion market and to present them these products to the customers as soon as possible. Customers' suggestions and demands and new trends are used as a clue in the company's new product development and diversification of current product activities.

Altinyıldız, carrying a Wool mark license, includes technical innovations and product improvements in wool fabric and clothing performance to its R&D activities.

HUMAN RESOURCES

Our human resources approach is based on creating working environments that uphold human dignity and treating all employees equally. Staff is offered equal opportunities in recruitment, employment, remuneration, participation in training, promotion, retirement and all other work related aspects. We deem unacceptable any discrimination based on color, gender, religion, marital status, sexual orientation, political ideology or membership, ethnic identity, health condition, family responsibilities, trade union activity or membership, physical disability or age.

We view unionization as a right and sign collective labor agreements with our unionized employees. Our work ethic principles and practices are detailed in writing. We consider internal communications activities with company personnel as a way to establish an in-house democracy and enable employees to participate in decision-making processes related to themselves via different communication channels.

Our kindergarten service helps the company's female employees to maintain a balance between family and professional life, and we make a point of establishing gender equality in all company processes. In our Kindergarten with a capacity of 60, children in ages 0-6 of our 57 employees are taken care. With the activities in our kindergarten, we support their psychomotor, social, emotional, lingual, cognitive developments and contribute to their self-care skills.

Altinyıldız has been providing kindergarten service since 1975 in order to support female employees in balancing their domestic and business life, realizing the effect of sharing domestic tasks based on gender, especially for the establishment of gender equality. Not only to comply with legal regulations but also to support gender equality in the employment market, Altinyıldız entered into common projects with other Boyner Group companies regarding the balance of domestic and business life. Altinyıldız is one of the first companies that signed United Nations Global Compact Women's Empowerment Principles.





Number and Profile of Employees

As of December 31, 2014, Altinyıldız has a total of 1,721 employees. The average age of the employees is 36.

	White Collar Female	White Collar Mal	Blue Collar Female		Blue Collar Male		Total
Number of Employees	124	217	Apparel 320	Textile 305	Apparel 295	Textile 460	1,721
Average Age	35	41	33	35	35	37	36



Personal and Professional Development Training

Altinyıldız organizes training programs on managerial and functional area related topics to achieve the best business results in line with the company vision, mission, values, and objectives, in an ongoing and inclusive fashion. The underlying philosophy of training programs is to increase the productivity and development of individuals, teams and the organization as a whole, and to help employees improve their skills.

In 2014, Altinyıldız provided 21 different trainings under Occupational Health and Safety, Professional Trainings and Personal Trainings. Total of 2036 employees have participated, and 778 were women.

Employee Motivation

With the human resources policy of "our employee's happiness is our happiness", by the end of 2014, in-house birthday organizations have started to be organized for all employees in order to share their happy moment and to support them. All employees received surprises on these special days.

In order to enhance the communication between employees, to strengthen team spirit and to celebrate team success, our football activity has been organized with the participation of 14 teams.

Motivational organizations such as Farewell to Summer Party, New Year's Party are held.

Even though we are a manufacturing company, we have organized a breakfast on December 12th Retail Employee's Day with our 3 employees and customers in Çadır store inside our factory.

Occupational Health and Safety

Our occupational health and safety efforts are expended with a comprehensive view to providing a healthy and safe work environment for our employees and to promote their mental, physical, spiritual and emotional development. In 2014, 467 employees received Occupational Health and Safety training. In addition, Occupational Health and Safety Councils and risk analysis teams started work to create more healthy and secure work environments, and to ensure employee participation in all these processes. Together with Boyner Group, we published our Occupational Health and Safety Handbook specific to our industry's needs and shared it with the entire workforce.

Altinyıldız has provided trainings about occupational health and safety, handling, hygiene, working at height, overhead crane training, ergonomics, first aid, and post care of occupational accidents in 2014.

In 2014, trainings and drills on first aid, intervention to chemicals, and start of fire and evacuation of the entire factory in emergency are performed with the participation of employees.

Environmental Awareness

In 2014, we continued to measure our impact on minimizing the amount of raw materials and auxiliary products, energy and water for the purpose of minimizing adverse environmental impact of our products and services.

Corporate Carbon Footprint - ISO 14064-1 Standard

Since 2011, we have regularly calculated the carbon footprint of Altinyıldız Tekstil ve Konfeksiyon A.Ş. (AYTK) in all areas of production and administration. Our goal is to decrease our emissions to combat climate change.

Altinyıldız's Emission Sources and Greenhouse Gas Protocol are based on the ISO 14064-1 Standard. As a result, ATYK have included in our calculations emission sources such as those falling under Scopes 1 and 2 as defined by the Standard, as well as Scope 3. As for emission factors, we have utilized the methodologies and measurements of IPCC. Additionally, we have made use of the emission values of Turkish public agencies, the LCA reports of private companies, measurements demanded by AYTK from external bodies, the coefficients of NGGIP, and values provided by UNFCCC.

Scope 1: Direct Emissions: Emissions directly released into the atmosphere by our enterprises: natural gas, fuel oil, LPG tanks, air conditioners, fire extinguishers.

Scope 2: Indirect Emissions from Electric Energy: Emissions related to our consumption of purchased electricity and steam from the outside. Since they are generated at the source, we have no control over such emissions.

Scope 3: Other Indirect Emissions: Emission sources and sinks related to the activities of companies whose services we purchase, and over which we have no control. These include recycling processes that function as a carbon sink. We do not have direct access to their precise emission values: domestic and hazardous waste, waste water, raw materials, personnel service buses, taxi fees, logistics activities, and domestic and international air travel costs.

For our calculations, 2011 is taken as basis. Total emissions according to years are provided in the following table.

Corporate Carbon Footprint - ISO 14064-1 Standard

	2011	2012	2013	2014
Scope 1	5.652	15.010	24.148	29.073
Scope 2	43.223	27.593	4.452	2.612
Scope 3	31.551	26.067	18.206	24.444
Total Ton CO₂-e	80.426	68.670	46.806	56.129

Our cogeneration facility, which is operating from time to time as of 2012 and full time since 2013, is our main reduction source. However, there are fluctuations in our total emissions depending on the change in our production. When our textile and apparel production is normalized with our emissions, we observe the changes in the table below. There has been 9.48% reduction since our base year 2011 until 2014.

Change in Emissions Depending on Production	Change Rate in Years		
	2011 - 2012	2012 - 2013	2013 - 2014
2011 - 2014	-%9,94	-%1,05	%2,35
	-%9,48		

Our emissions dropped in 2012 and 2013 but increased in 2014. The main reason for this increase is the calculations performed by adding our values to the emission factors during calculation of raw material items evaluated under Scope 3. This new methodology reduced the uncertainties in our calculations but caused an increase in our emissions.

When changes in emissions depending on production are reviewed under Scope 1 and Scope 2, reduction rates observed each year. There has been approximately 16 % reduction since our base year 2011 until 2014.

Change in Emissions Depending on Production	Change Rate in Years Scope 1 - Scope 2		
	2011 - 2012	2012 - 2013	2013 - 2014
2011 - 2014	-%8,06	-%2,54	-%5,45
	-%15,92		

Subjects We Have Improved:

- Our Integrated Power and Heat Plant, which became totally operational in 2013, have helped minimize our electric and steam purchases falling under Scope 2. As such, we have eradicated power loss due to the external purchase of electricity and decreased our overall consumption.
- We used another output of our cogeneration facility, which is steam, in our processes and lowered our steam purchase in 2013 and zeroed in 2014.

It was verified by BSI in 2012 and 2014.






Carbon Footprint Verification
Verification Opinion Statement

This is to verify that:
ALTINYILDIZ TEKSTİL ve KONFEKSİYON A.Ş
Çerkezköy Org.San. Bölgesi 2. Kırım Yıldırım Beyazıt Mh. Barbaros Cd. No:71
Çerkezköy /Tekirdağ

Hold Statement No: **GHGEV 595275**

EMISSIONS DETAILS	
Reporting Period:	01/01/2014-31/12/2014
Date of Emissions Report:	28.02.2015
Scope 1 Emissions in tCO ₂ e	20,072
Scope 2 Emissions in tCO ₂ e	2,408
Scope 3 Emissions in tCO ₂ e	n/a
Total Reported Emissions in tCO ₂ e	22,480

FACILITY VERIFICATION DETAILS	
Proportion of facilities inspected during the verification:	100%

OPINION - verified: BSI Group Eurasia Certification Services Inc. has conducted a verification of the greenhouse gas data reported by Altinyıldız Tekstil ve Konfeksiyon A.Ş. in its Emissions Report dated 28 February 2015 and presented above. On the basis of the verification work undertaken (see Annex 1) these data are fairly stated.

OPINION - verified with comments: As a result of verification procedures, it is the opinion of BSI with reasonable assurance that:
The Greenhouse Gas Emissions for the period from 01/01/2014 to 31/12/2014 is 22,480 tonnes of CO₂ equivalent (materiality level is 3,8%).
No material misstatements in the selected base year Greenhouse Gas Emissions calculation for Altinyıldız Tekstil ve Konfeksiyon A.Ş. were revealed.
Data quality was considered acceptable in meeting the principles as set out in ISO 14064-1:2006.

Lead Verifier: Mehmet Kılıcı
Technical Reviewer: Özlem Çeliker
Signed on behalf of BSI Group Eurasia Certification Services Inc.
Date of Opinion: 28.02.2015



OTHER ACTIVITIES

ISTWEST

- PROJECT START DATE 2011
- PROJECT DELIVERY DATE 2013
- TOTAL AREA 70 Decares
- SCOPE OF PROJECT 571 Residences,
428 Houses
75 stores

STARCITY

- PROJECT START DATE 2007
- PROJECT DELIVERY DATE 2010
- TOTAL AREA 134.000 m²
- SCOPE OF PROJECT 137 Shops
8 movie theaters
50.739 m² Parking Lot
- PARTNERSHIP STRUCTURE BYN Gayrimenkul 40%
Merkür Tic. A.Ş. 60%



DEVELOPMENT PROJECTS FOR LIVING OR INVESTMENT

ISTWEST HOUSING PROJECT

Presented as Istanbul's most chic "Living Development", and composed of 571 residences, 428 housing units and 75 commercial stores in its shopping mall, IstWest's diversity has played a crucial role in turning it into one of the city's top real estate developments

Covering total areas of 110,00m² of housing units and 17,500 m² of commercial areas, The IstWest housing development project has been carried out by Altinyıldız Gayrimenkul Yatırım ve Geliştirme A.Ş. (renamed Altinyıldız Tekstil ve Konfeksiyon A.Ş. as of December 23, 2013) on the former Altinyıldız factory site near Istanbul Atatürk airport, in partnership with the construction company FerYapı.

The project, commenced in April 2011, was completed in only two and a half years, and the residential units started being delivered to homeowners in June 2013. A protocol has been signed with FerYapı on December 26, 2014 for the project that was completed in December 2013. Houses and store stocks are distributed. According to the Protocol, as of December 31, 2014, land stock has been removed from the records and 88 apartment units, and store stocks are added to the records.

STARCITY SHOPPING MALL

StarCity Shopping Mall is covering a total area of 134,000 m² with rentable area of 46,000 m² comprises 137 stores and 8 movie theaters. Established under the umbrella of Altinyıldız in 2007, BYN Gayrimenkul Geliştirme A.Ş. runs the StarCity shopping mall operation initiated on the former Altinyıldız factory site in 2010 jointly with Yıldız Holding's subsidiary Merkür Ticaret A.Ş. Some 40% of the project revenues go to BYN Gayrimenkul, which owns the land, and the remaining 60% to Merkür Ticaret A.Ş., which has constructed the retail development. StarCity shopping mall was built as an outlet center in consideration of the socio-economic profile of the surrounding community.

As of December 2014, 96% of the gross leasable area had been leased.





sustainability report



Activity Areas

Our Social Performance

- Human Rights
- Non-Discrimination
- Employee Rights
- Participation of Employees
- Occupational Health and Safety
- Anti-Corruption
- Stakeholder Relations

Our Environmental Performance

- Energy Efficiency
- Water Efficiency
- Waste Management
- Clean Production
- Safe Use of Chemicals

Supply Chain

- Social Compatibility
- Chemical Compatibility

Product

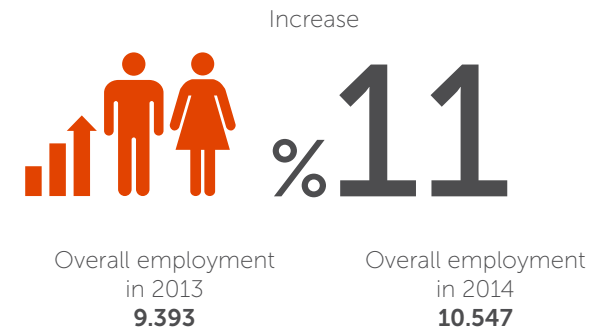
- Quality
- Safe Use of Chemicals
- Innovation

Community

- Community Investments Programs
- Corporate Volunteering
- Strategic Philanthropy
- Stakeholder Relations

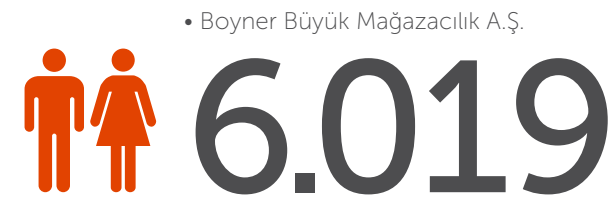
Our Work Ecosystem

Overall Employment



We have employed 645 people by opening new stores in 2014.

Number of Employees



Participation of Employees in Training and Development Activities

- Number of employees attended trainings in Boyner Büyük Mağazacılık:



- Number of employees attended trainings in Beymen:



- Number of employees attended trainings in Ay Marka:



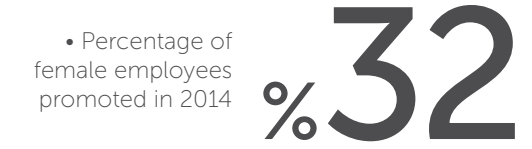
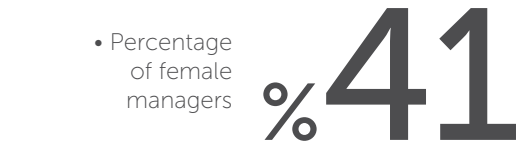
- Number of employees attended trainings in Altınyıldız:



- Total number of employees attended training: 11.856



Gender Equality in Boyner Group



Sustainability Management and Our Stakeholders

Sustainability Management and Our Stakeholders



We have mainstreamed sustainability, which we consider as an opportunity for continuous improvement and development, in 2014 with our social and chemical compatibility activities performed with the suppliers of our special brands. We have also participated in the platforms through the non-governmental organizations as their member, which we had established a partnership with our sector and the other sectors regarding learning.

We have made the decision to publish our sustainability report attached to our annual report since 2013 as a result of sustainability being our mainstream policy of our business and all of our activities. We try to implement the good practices which we have the chance to experience in local and international platforms to our work stream as new goals. We carry out our sustainability activities with the Boyner Group Corporate Responsibility and Sustainability Department and the participation and coordination of related departments of Boyner Group Companies. In 2014, we added Ethics Committee to our current sustainability workgroups.

Sustainability Work Groups:

- Greenhouse Gas Inventory Quality Team
- Clean Production Working Group
- Green Team
- Supply Chain Sustainability Team
- Occupational Health and Safety Coordination Committee
- Ethics Committee

Our scopes determined by the strategies defined each year, and the activities transferred from the previous year include:

Our Social Performance

- Human Rights
- Non-Discrimination
- Employee Rights
- Participation of Employees
- Occupational Health and Safety
- Anti-Corruption
- Stakeholder Relations

Supply Chain

- Social Compatibility
- Chemical Compatibility

Product

- Quality
- Safe Use of Chemicals
- Innovation

Our Environmental Performance

- Energy Efficiency
- Water Efficiency
- Waste Management
- Clean Production
- Safe Use of Chemicals

Community

- Community Investments Programs
- Corporate Volunteering
- Strategic Philanthropy
- Stakeholder Relations

STAKEHOLDERS

Under corporate responsibility and sustainability, we pay attention to the coordination and participation of our stakeholders in order to sustain the effect management of our business strategies under social and environmental topics in every process.

Stakeholders	Dialog Channels	Objective
Customers	<ul style="list-style-type: none"> • Sales Channels and CRM Activities • Call Center • Product Quality Teams 	<ul style="list-style-type: none"> • Implementation of our Unconditional Customer Happiness principle in every channel we encounter
Our Employees	<ul style="list-style-type: none"> • Intranet • BIG (Boyner Group Managers Communication and Improvement Program) • Boyner Group Volunteers • Trade Union • OHS Board (via Employee Representatives) • Ethics Committee 	<ul style="list-style-type: none"> • To establish in-corporate democracy culture in Boyner Group companies • To increase performance and motivation of the employees by establishing a peaceful working environment
Our Suppliers	<ul style="list-style-type: none"> • Supply Teams • Quality and Social Compliance Teams • Audit and Monitoring Teams 	<ul style="list-style-type: none"> • To establish a sustainable, responsible and secure supply chain structure • To improve synchronously with our suppliers
Our Shareholders	<ul style="list-style-type: none"> • General Assembly • Investor Relations Management • Corporate Governance Committee • Annual Report • Public Awareness Platform and Stock Market 	<ul style="list-style-type: none"> • Notification • Transparency
Environment	<ul style="list-style-type: none"> • Sustainability work groups • Boyner Group Volunteers • NGO Memberships 	<ul style="list-style-type: none"> • To improve our environmental performance and to create new projects, to increase environmental awareness of our employees
Community	<ul style="list-style-type: none"> • NGO Memberships • Social Responsibility Projects • Project Partnerships • Boyner Group Volunteers 	<ul style="list-style-type: none"> • To contribute to people- centered socioeconomic development, establishment of gender equality, social inclusion of disadvantaged social groups, and protection of the environment. • To contribute to the dialog and cooperation between the public and private sectors and civil society.

2014

Sustainability Management and Our Stakeholders



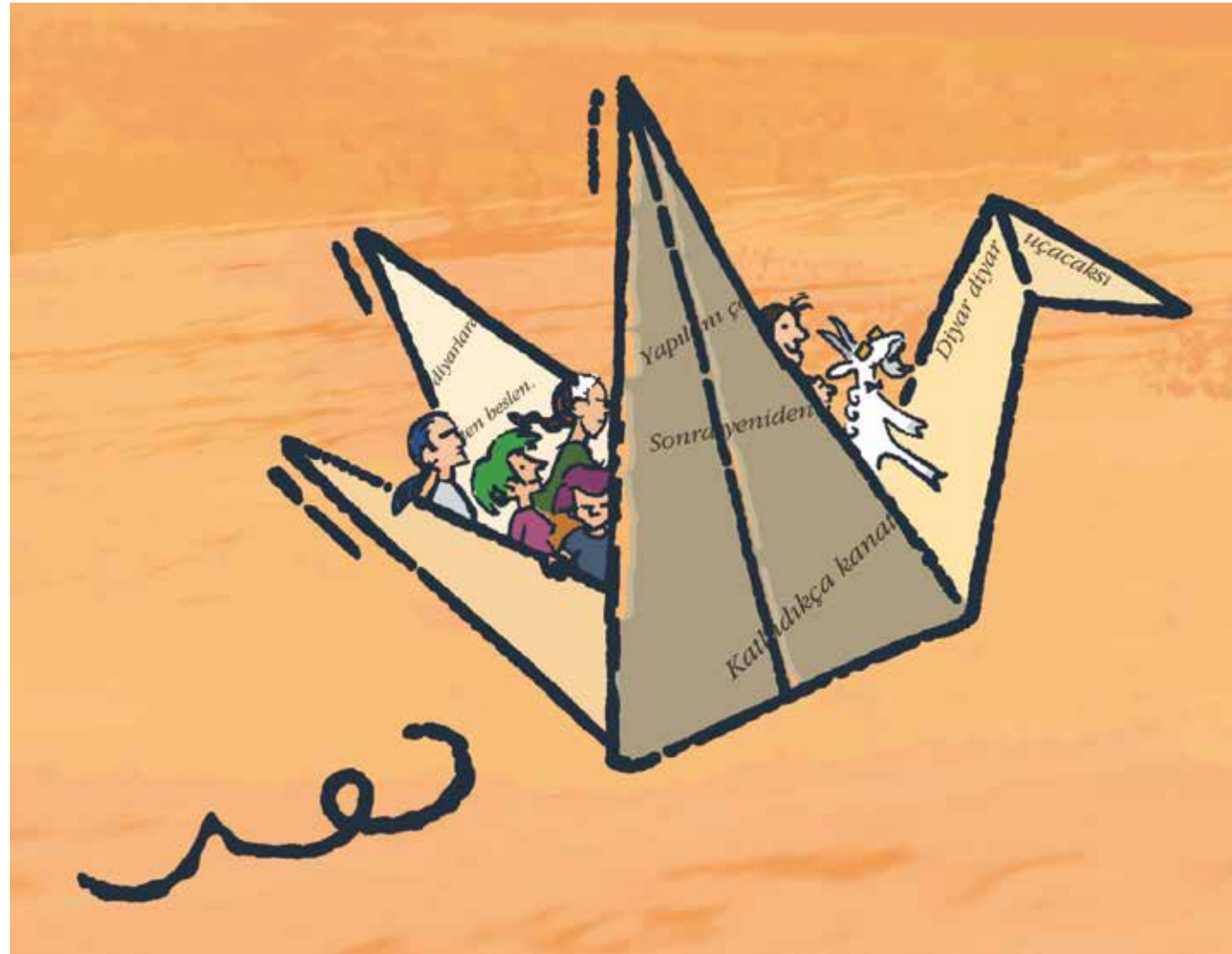
Memberships

Domestic



Overseas





We Are Focused on Customer Happiness

Being focused on offering creative product, service, and experience. Providing improvement in every angle that reaches out to the our customers about the Function "Thinking all about the Customer"! Making the our customers feel important and prioritized in every action is essential for us.

We Are Creative

Ability to explore and implement creative solutions and approaches. Projecting and implementing the unattempted and the undone. Continuously assessing and developing business manners. Supporting generation of new ideas in the team. Our ability to ask "Why not?" is our corporate trait, our source of inspiration for innovativeness

We are courageous.

Quick decision-making, being flexible when necessary. Accepting and supporting change favorably. Changing and driving change in a timely manner when required are among our core values.

We are passionate

Working eagerly, being the leader in our business. Creating motivation and inspiring environment for our team members. Having positive attitude and reflecting this to team members. Focusing on objectives, working with passion. Working pleasantly is a characteristic of Boyner Group employees.

Continuous learning, continuously updating our professional expertise, improving and training others. Learning and instructing. Obtaining information from various sources and creating a vision of how works can develop. Ensuring work, team and oneself to be productive is a prerequisite for Boyner Group employees.

We Learn Continuously

We Are Responsible

Making contribution, and supporting contributions to society. Being "A good person, a good employee, a good citizen" with a moral, clear, accountable, and sustainable approach to colleagues, associates, customers and society. Executing project business with manners and actions aware of the social, economic and environmental responsibilities is essential for Boyner Group employees.

Always working on mutual trust, respect, participation, justice, and collaboration -like a family-; allowing all Boyner Group employees to work and get a promotion based only on their performance. Providing an equal opportunity for development. It is our main principle to enjoy and share the security and warmth of a family.

We Are a Huge Family

Democracy in the Workplace

In Boyner Group, an open communication is supported for all employees to express own ideas and suggestions freely. Employees are encouraged to share ideas and opinions through intranet, the internal communication channel. In all of the organizations, open communication is supported not only by specified channels but believing that sharing any ideas, suggestions or critics will improve our businesses. When disagreements arise in the workplace, managers lend an objective ear to every party involved regardless of status. Boyner Group's management approach is based on transparency, openness, accountability, and mechanism that support participation.

Principle of Equal Treatment

Boyner Perakende offers employees equal opportunities in recruitment, the employment process, remuneration, participation in training, promotion, retirement and all other work related aspects. We do not tolerate discrimination based on race, color, gender, religion, marital status, sexual orientation, political views or affiliation, ethnicity, health status, family responsibilities, union activity or membership, physical disability or age.

Within Boyner Group, in all our Human Resources policies and practices, such as recruitment, promotion, transfer, rotation and remuneration, we embrace a fair approach; and work in accordance with all current laws and regulations in all business processes.

Investing in our Employees

The Human Resources departments of Boyner Group companies conduct training and development programs specific to their respective business. All trainings provided for our employees - personal development, professional development, occupational health, and safety- are tracked by attendance, training time and training investment metrics refracted by gender. We also follow our equal opportunity principle in training and development areas.



- Number of employees participated in Boyner Department Store training

4.566

Number of female employees attended training: **1931** | **%42**

- Number of employees attended Beymen training:

3.742

Number of female employees attended training: **1534** | **%41**

- Number of employees attended Ay Marka training:

1.512

Number of female employees attended training: **583** | **%39**

- Number of employees attended Altinyıldız training:

2.036

Number of female employees attended training: **778** | **%38**

- Total number of employees attended training: **11.856**

Percentage of female employees attended the training

%41



We aim to support constant development of our employees.

Since 2003, all managers working in Boyner Group are included in Boyner Group Managers Communication and Development Program (BIG). The objective of BIG program is to help managers to get to know the group and other managers better, to help all managers benefit from the experiences of senior management, to share know-how within the group and to provide development opportunities. We organize meeting, seminars and competitions and develop projects in BIG. Boyner Group Akademi ve Nitelik Gelişimi - BANG- (Boyner Group Academy and Quality Improvement) is a platform where training activities for all group employees take place for continuous improvement. Boynerişim is a common platform accessible to all employees where we provide tens of articles, presentations, resources, training and development opportunities about creativity, customer satisfaction, general knowledge, career, personal development, marketing, retail, health and safety, foreign languages. Additionally, every two months, the Group holds development seminars on a wide range of subjects such as fashion, management, personal development, ethics, and values, open to all employees regardless of title or position. E-learning platform BANG Online will be online in 2015 to support the development of our employees.

Our Compensation Policy

At our companies, we implement a fair and egalitarian remuneration system. In this system, characteristics such as age and gender are not taken as criteria. Each position corresponds to a certain point value, and salaries are managed according to this system.

In our stores, the salaries of sales consultants and expert sales consultants are determined according to their occupational position. While recruiting for these positions, everyone with similar authorization and responsibilities is remunerated equally. Individual differences are rewarded with bonuses calculated on the basis of sales performance.

The wages of unionized employees working in Altınyıldız Tekstil ve Konfeksiyon A.Ş. are determined in collective labor agreements, as well as their side benefits.

In Boyner Group companies, employees are extended fringe benefits covering their meal, transportation, and private health insurance expenses; they are also issued Group discount cards. Depending on the requirements of the duty, vehicle and mobile phone may be provided to managing positions. The side benefits enjoyed by unionized personnel working in Boyner Group are outlined in collective labor agreements.

Equal Opportunities

We do our utmost to practice equal opportunity in ads, interview questions of recruitment processes, job postings, career planning and training and development of employees in Boyner Group workplaces.

Occupational Health and Safety

We deem safe working conditions, compatible with human dignity, as a right of life for our employees. We implement our responsibility to inform and enlighten our employees through trainings. Also, we inform them with our manual about "Occupational Health and Safety" and enhance their wellbeing and health with practical suggestions. We also inform our visitors via informative and instructive cards in our workplaces especially prepared for visitors.

Occupational Health and Safety at Boyner Group in 2014:

- In 2014, number of employees who attended Basic OHS Training, both newly recruited and renewals:

3.085

- Number of employees who attended First Aid training in 2014:

250

- Number of employees who attended Fire training in 2014:

299

- Number of employees who attended Safe Driving training in 2014:

198

In addition to compliance with the laws, we handle occupational health and safety to create workplaces are not conflicting with human dignity and to establish the wellbeing and happiness of our employees. In this context, we provide practical information about healthy nutrition, right posture, ergonomics, and personal care to our employees and share calories of the meals at the cafeterias of our offices and form healthy diet corners.

To take more preventive measures, whether there is workforce loss or not, requires medical attention or not, we record all accidents occurring in all workplaces or that are related to work. This helps us in analyzing the base problems and increases awareness in the organization about near-miss notification.



Sağlıklı, Güvenli ve Keyifli Çalışmalar!

**İŞ SAĞLIĞI VE
ÇALIŞAN GÜVENLİĞİ**

EL KİTABI



BOYNERGRUP



We keep statistics on occupational accidents and form regulatory action plans by our base problem analysis. In 2014, total occupational accidents including no workforce loss notifications were 159. The rate of occupational accidents to total employees is 1.58%. Mainly, accident notifications are incidents such as slipping and falling that do not cause workforce loss. Both additional physical measures are taken, and post-accident informatory meetings are held for employees. In 2015 report, we aim to analyze our comparative data.

Each of our companies' record accident analysis based on time, location, cause and take regulatory actions depending on the cause. Primarily, we put emphasis on self-protection. Besides complying with the measures taken, we also advise our employees to report about the situations that require measures and not to avoid. We especially ask from our employees to report the risks encountered and associated occasions in the workplace, not only as our legal liability but also to determine the problem and eliminate it without causing any other problems.

In 2014 occupational accident analysis, in cases which accidents caused by sub-employers, we took actions such as auditing the sub-employer for fulfilling its obligations and terminating the business relations in case the sub-employer do not comply.

Freedom of Association

Employees fully enjoy all their rights to organize freely. Blue collar employees working in Altinyıldız Tekstil ve Konfeksiyon A.Ş. are members of the Union, and our employees reserve the right to sign collective labor agreement via worker's union representing them. Also, membership of our employees to a nongovernmental organization and political parties cannot be restricted. Employees fully enjoy all their rights to organize freely.

Committee of Ethics

Our Group Companies have their own Ethical Committees besides Boyner Perakende ve Tekstil Yatırımları A.Ş ethical committees to investigate and evaluate any warnings, complaints and incidents reported about violations of Group Values and Operational Principles.

In the case of any situation or event considered unethical, employees can make complaints and report the situation to own ethical committee. Verification investigation is carried to solve the situation. The details of interior investigation are recorded by reporting system in case the case is verified. A communication channel has been created in all Boyner Group companies for the employees to report ethical issues or situations when faced via special e-mail addresses of ethical committees of each company. The Council of Ethics carries out the analysis needed on those issues brought to its attention and proposes various sanctions including dismissal in the event that violations are found. Issues which cannot be resolved by the concerned company's Council of Ethics can be settled by the Boyner Perakende Council of Ethics.

In 2014, 33 complaints were made and 58% of which were about ethical issues while the remaining were about labor law. All of the complaints about ethics were handled by ethical committees. Recommendations are provided to company managements by ethical committees after preliminary examination, interviews, and right to defend stages.

In Boyner Group Operational Principles booklet, all employees are deemed liable for ethical behavior and transparency.

Anti-Corruption

We guarantee to operate in compliance with anti-corruption regulations and provide honest, transparent service. With this policy which is a part of Boyner Group ethical rules, we aim to prevent bribery and corruption in all Boyner Group activities, to comply with legal regulations, ethical and professional principles, and universal rules. Boyner Group's anti-corruption policy covers all business partners of Boyner Group or acting on behalf of Boyner Group as well as Boyner Group employees. Boyner Group Anti-Corruption Policy covers all Boyner Group employees including board members and persons or organizations working for on behalf of Boyner Group including outsourced companies and their employees, suppliers, consultants, lawyers, external auditors.

Our Anti-Corruption Policy

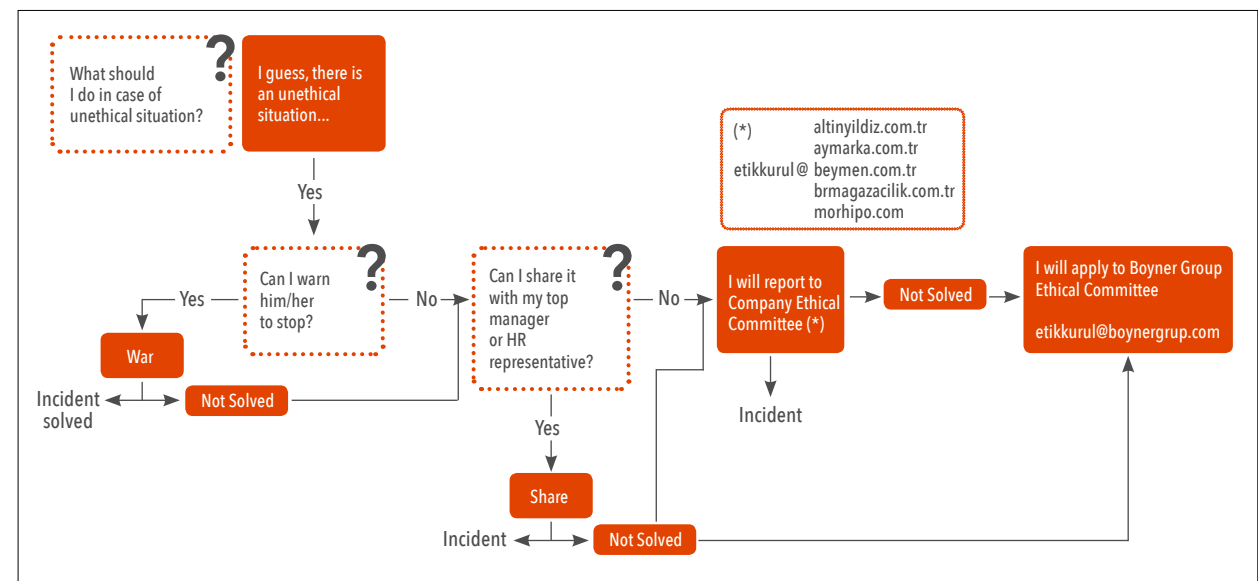
- It is a complementary part of legal regulations,
- Human Resources Code of Practice and Collective Labor Agreements,
- Principles pledged to comply by participating in UN Global Compact,
- Corporate Management Principles,
- and Boyner Group Ethical Principles.

Regulation and modification of ethical principles is under Boyner Group Management authority. Necessary sanctions are applied in case of violation of these principles. Boyner Ethical Committee has the authority to review and report these issues. Boyner Group employees report any situations encountered or suspected regarding bribe and corruption to the notification address of Boyner Group Ethical Committee.

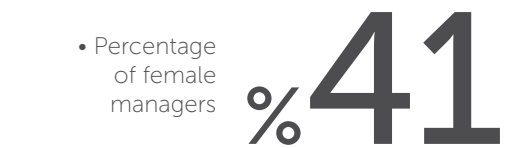
Internal Communication Channels

As Boyner Group, communication with our employees is one of the building blocks of our work. Through "Boynerişim" intranet platform, which is the internal communication channel of the Group, all Group employees are informed and their opinions and suggestions are gathered. The Boynerişim online platform offers Group employees up-to-date news and information on job openings in Group companies, the achievements of these companies, campaigns specific to employees, the history of the company, manager profiles, conferences organized by the Group, corporate social responsibility projects and volunteer activities.

Boynerişim is not only a news source for employees, but also a platform where personnel can share their creative ideas as well as personal ads. Through the internal stakeholder network, we have achieved our objective of gathering all Group employees around a common platform. In 2014, we have strengthened our external communication with our stakeholder through the Boyner Group website, which is launched with the new group reorganization, as well as internal communication channels and informed our employees simultaneously.



Gender Equality in Boyner Group



We track our female employees on a regular basis for maternity leaves and being back to work. We place female employees who are back from maternity leave at the same or similar positions.

Number of women on maternity leave in 2014: **194** Number of women back from maternity leave in 2014: **147**

We have developed a control panel to consolidate our data on gender equality and perform systematical monitoring. We produce reports on SAP to keep track of the following data in three- or six-monthly periods.

- Breakdown: Head office/store, manager/others, full-time/flex-time
- Seniority
- Training and Development
- Absence
- Resignation, dismissal
- Kindergarten services

We not only carry out our activities on sustaining gender equality in our Group Companies but also track, audit our suppliers that produce our special brands and prepare necessary regulatory action plans for their improvement and provide consultancy to our manufacturers. You can refer to our supply chain sustainability report for further details.

March 8th World Women's Day

Since 2008, we share our perspective with the public on gender equality with special ads for World Women's Day on March 8. Every year, we emphasize citizenship rights of women and be the voice in eliminating discrimination against women by these ads. Besides policies and practices required in every aspect of life regarding gender equality, we support the efforts in establishing an agenda.

We support all of our managers, particularly our senior management, to attend events in order to establish awareness in the public regarding this matter. Besides printed and visual press interviews, we share our activities and messages in events held by universities or non-governmental organizations. We actively participate in local and international platforms and share our practices with other companies in experience sharing meetings to popularize them.

As Boyner Group, we were honored by the platforms which we share our work:

- The Women in Leadership Forum recognized our Chairman Cem Boyner with the Male Champion of Change Award in 2013.
- Golden Compass Public Relations Awards 2013
- We were honored by UNDP Special Prize.
- In 2013, Boyner Group was presented with the Great Place to Work Turkey – Special Award for Equal Opportunity and Supporting Women.
- In 2012, Boyner Holding was awarded "Improvement of Social Gender Equality at Work" award by the Ministry of Labor and Social Security.
- In 2012, Boyner Holding received FEM certificate guaranteeing gender equality at Board of Director and Executive Board level by complying with gender equality in human resources policies, informing employees about gender equality and raising awareness, and preventing gender discrimination in marketing communication.
- We are honored with the gold award in full-page press ad category in 2012 Spotlight Awards - Global Communication Competition organized by League of American Communications Professionals - LACP- with our ad "What Women Want In Business Life" published on March 8, 2012 and placed 46th in best 100 communication works of 2012

In 2014, Boyner Group was the sole representative of the sector in an international meeting held by United Nations Economic Commission for Europe- UNECE- in Geneva among 300 government representatives and UN representatives. In the World Woman Conference, held by UNECE, 56 member countries that carry out activities to establish gender equality, 4. suggested policies in order to determine agendas of member countries, one of which is Turkey, regarding gender equality under post-2015 development strategies and developments and objectives of the last 2 decades were monitored. Many issues such as women's economic participation, education of girls, refugee women, kid brides, participation of women in decision-making mechanisms were discussed. As Boyner Group, we have shared our practices in establishing gender equality, business world strategies for representation of women in management levels, necessity for developing in-corporate polices to guarantee in senior management and board level and success in their execution, breaking down employment data based on gender to help monitor and improve these policies, defending gender equality both inside and outside the organization and being a role model to trigger these activities positively.

We are honored with the gold award in full-page press ad category in 2012 Spotlight Awards - Global Communication Competition organized by League of American Communications Professionals - LACP- with our ad "What Women Want In Business Life" published on March 8, 2012 and placed 46th in best 100 communication works of 2012.

GREAT PLACE TO WORK

In 2013, Boyner Group was among the best employers in Turkey. We were presented with a special award for our practices in supporting employment for women and Equal Opportunity offered at all stages of employment from recruitment to promotion for all employees.

In 2014, once again awarded as "Great Place to Work". Boyner Group and received Best Employer Certificate as a result of Corporate Culture Reviews and Employee Survey in "Turkey's Best Employers" competition organized by Great Place To Work Institute, which is the most prestigious organization in Employer Brand.



Boyner Group Retail Meeting

Since 2011, we share a new project and plans to our employees via Boyner Group Retail Meeting every year and enable senior managers to share their knowledge. During this one-day event, Boyner Group company managers listen to inspiring speakers, experts and best examples of their sector.

- Inspiring speakers
- Experts on related subjects
- Examples of sectorial applications
- Cases from the company

Every year, retail meeting gather our board members, general managers, vice general managers, department managers and store managers in common ground. So we share the developments in our group and benefit from this meeting as a fellowship tool for our management teams.

Retail is Our Business: December 12th Retail Employee's Day

In Boyner Group, we began to celebrate this special day, December 12th Retail Employee's Day for all store employees in 2013. On December 12th, Retail Employee's Day, head office employees will support store employees with small surprises in our stores during the day and will be celebrated annually. We have celebrated December 12th Retail Employee's Day in 2012 and had our impact on the retail sector. Not only Boyner but also other retail companies embraced Retail Employee's Day.



Aslında sizin için muhtemelen öyledir.
Ama bizim için "Bir beden büyüğü yok mu" sorusuna verilecek cevap;
"Kız arkadaşına ne alsam sizce"ye verilecek tavsiye;
Onun bir koyusu, diğerinin bir sadesidir.
Bizim için bu bir kazak değil, sevgiyle yaptığımız işin bir parçasıdır.

Markaları bugünlere taşıyan mağaza çalışanlarına
milyonlarca teşekkürler. Bütün mağaza çalışanlarının ve
14 bini aşkın çalışanımızın Mağazacılar Günü kutlu olsun.



#magazacilargunu

We Support Training and Continuous
Development: Partnerships with Universities

Boyner Group focuses on growth through sharing experiences with internal and external stakeholders. Universities provide a platform for our corporation to share these professional experiences with new generations. Our employees share their own experiences with students in conferences and panels, and through our partnerships with Universities while contributing their personal development and reaching out to many young university students. In this channel developed by universities

we introduce retail sector to young people. The continuity of our cooperation with Bahçeşehir University and COP career center provided "Retail Management" course and "Retail and Store Managing" certificate program at Bilgi University. In 2014, we executed our processes in coordination with universities. Our partnerships with universities allow Group personnel to share their professional experience with students and set an example for members of the younger generation who are considering a career in the retail industry.

Retail Management / Bahçeşehir University

	Number of attending students	Number of attending Young Professionals Our Employees	Company distribution of Trainer managers in 2014
2013	52	7	
2014	49	6	<ul style="list-style-type: none"> • Ay Marka %11 • BBM %33 • Beymen %11 • Boyner Holding %45

Retail and Store Managing Certificate Program / Bilgi University

	Number of attending students	Number of attending Young Professionals Our Employees	Company distribution of Trainer managers in 2014
2013	42	7	
2014	59	6	<ul style="list-style-type: none"> • Ay Marka %25 • BBM %25 • Boyner Holding %50

As part of our partnerships with universities, vocational colleges, and vocational high schools, we support young individuals in order to allow them to gain experience in the profession and business line of their choice.

Total apprentices:

277

University - Vocational school breakdown of apprentices:

University

187

Vocational

90



2014

Environmental Awareness

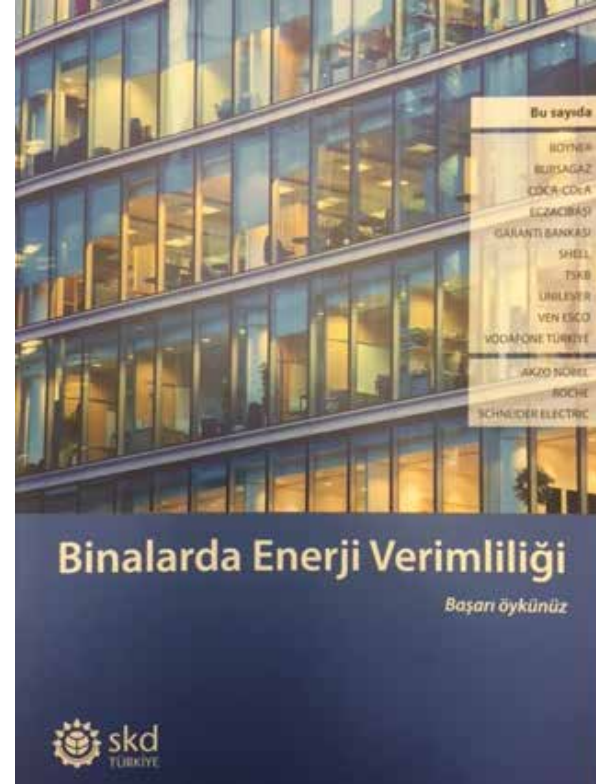
Environmental Awareness

In 2014, we continued to measure our impact on minimizing the amount of raw materials and auxiliary products, energy and water for the purpose of minimizing negative environmental impact of our products and services. Our environmental awareness includes not only the performance of our companies but also that of our supply chain. To this end, we carry out social compliance audits to track the energy, water and waste management of our suppliers pursuant to applicable laws and regulations since 2013.

In 2014, we included our customer to the "iyiliğe dönüştür" project launched by Boyner Büyük Mağazacılık and designed and implemented a project on recovery and reuse with Lokman Hekim Foundation.

We are members of Business World Sustainable Development Association and Climate Platform formed by TÜSIAD and REC. We have an active role in "energy", "water", "eco-label", "responsible consumption" work groups under Business World Sustainable Development Association. In 2011, we signed Declaration of Energy Efficiency in Buildings by Business World and Sustainable Development Association. In 2014, we took place as good-practice example in Turkey and WBSCD publications.

Details of our projects focused on energy efficiency and reduction of emissions executed commonly and individually by our companies are as follows.



Altinyıldız Tekstil ve Konfeksiyon A.Ş.

Corporate Carbon Footprint - ISO 14064-1 Standard

Since 2011, we have regularly calculated the carbon footprint of Altinyıldız Tekstil ve Konfeksiyon A.Ş. (AYTK) in all areas of production and administration. Our goal is to decrease our emissions to combat climate change.

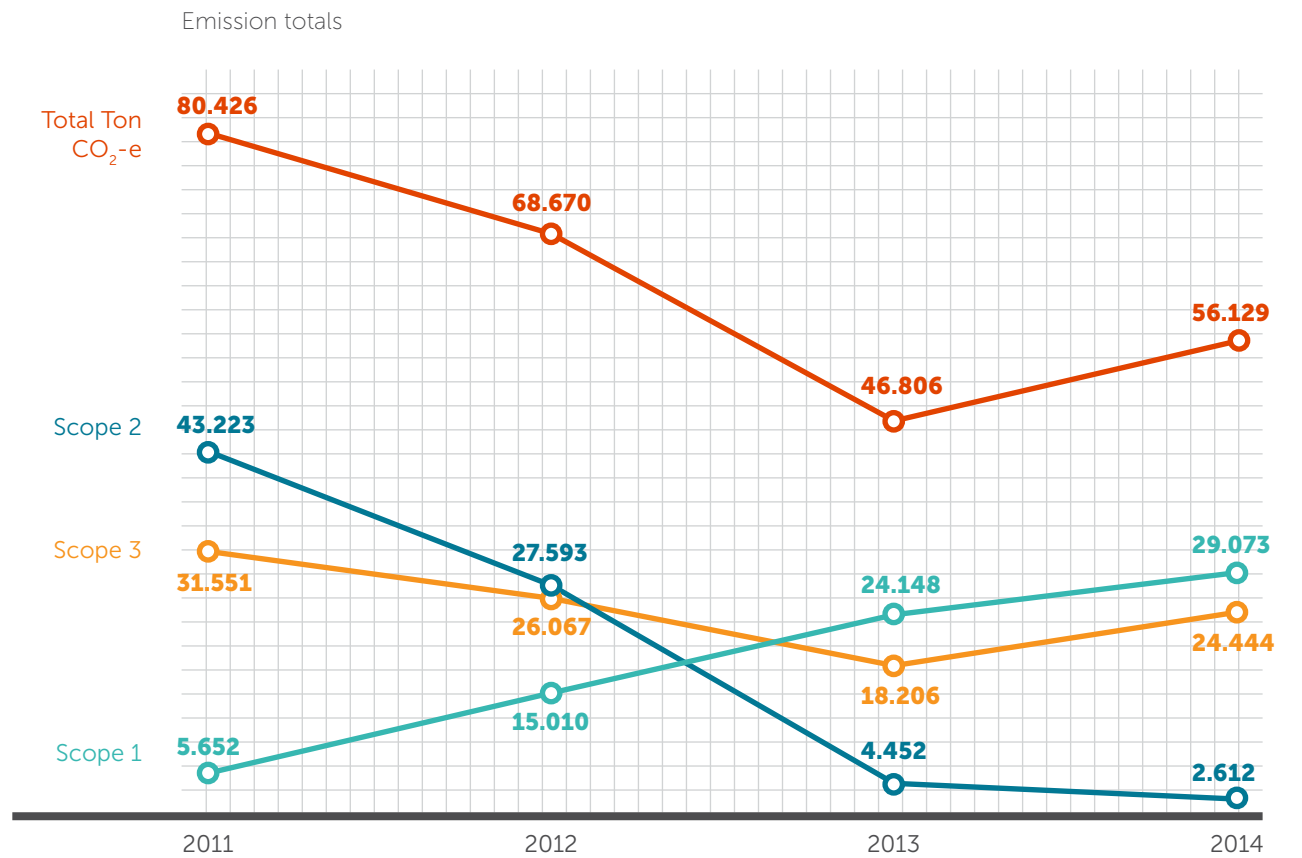
AYTK's Emission Sources and Greenhouse Gas Protocol are based on the ISO 14064-1 Standard. As a result, AYTK have included in our calculations emission sources such as those falling under Scopes 1 and 2 as defined by the Standard, as well as Scope 3. As for emission factors, we have utilized the methodologies and measurements of IPCC. Additionally, we have made use of the emission values of Turkish public agencies, the LCA reports of private companies, measurements demanded by AYTK from external bodies, the coefficients of NGGIP, and values provided by UNFCCC.

Scope 1: Direct Emissions: Emissions directly released into the atmosphere by our enterprises: natural gas, fuel oil, LPG tanks, air conditioners, fire extinguishers.

Scope 2: Indirect Emissions from Electric Energy: Emissions related to our consumption of purchased electricity and steam from the outside. Since they are generated at the source, we have no control over such emissions.

Scope 3: Other Indirect Emissions: Emission sources and sinks related to the activities of companies whose services we purchase, and over which we have no control. These include recycling processes that function as a carbon sink. We do not have direct access to their precise emission values: domestic and hazardous waste, waste water, raw materials, personnel service buses, taxi fees, logistics activities, and domestic and international air travel fees.

For our calculations, 2011 is taken as basis. Total emissions according to years are provided in the following table.



	2011	2012	2013	2014
Scope 1	5.652	15.010	24.148	29.073
Scope 2	43.223	27.593	4.452	2.612
Scope 3	31.551	26.067	18.206	24.444
Total Ton CO₂-e	80.426	68.670	46.806	56.129

Our cogeneration facility, which is operating from time to time as of 2012 and full time since 2013, is our main reduction source. However, there are fluctuations in our total emissions depending on the change in our production. When our textile and apparel production is normalized with our emissions, we observe the changes in the table below. There has been 9.48% reduction since our base year 2011 until 2014.

Change in Emissions Depending on Production	Change Rate in Years		
	2011 - 2012	2012 - 2013	2013 - 2014
2011 - 2014	% -9,94	% -1,05	% 2,35
	% -9,48		

Our emissions dropped in 2012 and 2013 but increased in 2014. The main reason for this increase is the calculations performed by adding our values to the emission factors during calculation of raw material items evaluated under Scope 3. **This new methodology reduced the uncertainties in our calculations but caused an increase in our emissions.**

When changes in emissions depending on production are reviewed under Scope 1 and Scope 2, reduction rates observed each year. There has been 9.48% reduction since our base year 2011 until 2014.

Change in Emissions Depending on Production	Change Rate in Years Scope 1 - Scope 2		
	2011 - 2012	2012 - 2013	2013 - 2014
2011 - 2014	% -8,06	% -2,54	% -5,45
	% -15,92		

There has been 9.48% reduction in our carbon food print since our base year 2011 until 2014.



Subjects We Have Improved:

- Our Integrated Power and Heat Plant, which became totally operational in 2013, have helped minimize our electric and steam purchases falling under Scope 2. As such, we have eradicated power loss due to the external purchase of electricity and decreased our overall consumption.
- We used another output of our cogeneration facility, which is steam, in our processes and lowered our steam purchase in 2013 and zeroed in 2014.

It was verified by BSI in 2012 and 2014.

Energy Efficiency in Buildings

As the first company to sign a declaration of energy efficiency in buildings prepared by Business World Sustainable Development Association, since 2012 we measure energy consumptions of building where Group company general managements are located.

The scope is limited to the head offices of Group companies and emission sources including those related to energy consumption inside the premises. Considering the buildings, our consumptions are restricted to natural gas and electricity. Natural gas was evaluated under Scope 1 as it is not purchased as heating but natural gas.

Scope 1: Natural Gas consumption
Scope 2: Electricity

Natural gas and Electricity consumption data are read from the invoice and recorded in data forms. These data are requested from the relevant departments via data forms, and archived by the Corporate Responsibility and Sustainability Department, which carries out the necessary calculation. Natural Gas Emission factors were calculated according to the values indicated in 2006 "IPCC Guidelines for National Greenhouse Gas Inventories", while Grid values announced by TEIAS annually are considered for electricity consumption. Total amounts were considered in the calculation in previous years. As of 2014, they are monitored based on company. This is because Altinyıldız Tekstil ve Konfeksiyon A.Ş. Head Office is Yenibosna was relocated in our manufacturing center in Çerkezköy, and all offices were distributed to different locations in the manufacturing plant. Also, AY Marka Mağazacılık changed its office in the inventory year. Boyner Perakende ve Tekstil Yatırımları A.Ş. opened a new office in Park Plaza and increased both its employees and the total area in m².



2014

Environmental Awareness

AY Marka Mağazacılık A.Ş.

Energy Efficiency in Buildings

Since 2012, we calculate and report energy consumption of our head offices.

AY Marka Mağazacılık A.Ş.	Total Consumption Kw/sa	Unit Consumption Kw/sa / m ²	Total Consumption Ton CO ₂ -e	Unit Emission Ton CO ₂ -e
2012	527.227,00	164,76	281	0,0878
2013	560.649,00	175,20	299	0,0934
2014	1.248.704,64	320,18	588	0,1508

AY Marka Mağazacılık A.Ş. had a total of 3200 m² in its Fazıl Kaftanoğlu Cad. No:15, Seyrantepe / İstanbul address during 2011 and 2012; as of September 2014, moved to 6000m² Yenibosna office in Merkez Mahallesi 29 Ekim Cad. No:22 Yenibosna Bahçelievler / İstanbul. There has been a significant increase in 2014 consumptions due to the increase in total area of the office building and the energy consumed during relocation and construction.



2014

Environmental Awareness

Beymen Mağazacılık A.Ş.

Energy Efficiency in Buildings

Since 2012, we calculate and report energy consumption of our head offices.

Beymen Mağazacılık A.Ş.	Total Consumption Kw/sa	Unit Consumption Kw/sa / m ²	Total Consumption Ton CO ₂ -e	Unit Emission Ton CO ₂ -e
2012	641.734,28	265,07	287	0,1185
2013	590.827,36	244,04	270	0,1115
2014	619.327,52	255,81	255	0,1053

Beymen Mağazacılık A.Ş. is operating in Büyükdere Caddesi Oycan Plaza Kat: 8-9 Maslak / İstanbul address without any change in consumption in the last 3 years. Fluctuations in consumptions are observed. Decrease in 2014 emissions is due to the decrease in emission factor calculated from TEIAS Grid values.



2014

Environmental Awareness

Boyner Perakende ve Tekstil Yatırımları A.Ş.

Energy Efficiency in Buildings

Since 2012, we calculate and report energy consumption of our head offices.

Boyner Perakende ve Tekstil Yatırımları A.Ş.	Total Consumption Kw/sa	Unit Consumption Kw/sa / m ²	Total Consumption Ton CO ₂ -e	Unit Emission Ton CO ₂ -e
2012	187.252,00	88,16	101	0,0476
2013	209.506,00	80,21	118	0,0452
2014	476.115,52	146,02	212	0,0650

Boyner Perakende ve Tekstil Yatırımları A.Ş. operated on 15th and 16th floors of Eski Büyükdere Caddesi Park Plaza Maslak / İstanbul in 2011, but in May 2012, two floors of the same building and on May 2014, 3 floors in the same address was added as the to the head office. These two expansions increased the total area in Sqm while consumptions made due to relocation and installation increased our energy load as well. As of April 2012, natural gas and electricity consumption of common areas which was invoiced under contribution fee during the previous period are included in energy consumption invoices by the resolution of Plaza management and included in our calculation.



2014

Environmental Awareness

Boyner Büyük Mağazacılık A.Ş.

Energy Efficiency in Buildings

Since 2012, we calculate and report energy consumption of our head offices.

Boyner Büyük Mağazacılık A.Ş.	Total Consumption Kw/sa	Unit Consumption Kw/sa / m ²	Total Consumption Ton CO ₂ -e	Unit Emission Ton CO ₂ -e
2012	872.736,88	161,62	411	0,0761
2013	1.545.551,69	166,19	739	0,0795
2014	1.482.428,68	146,02	573	0,0616

Boyner Büyük Mağazacılık A.Ş. has completed its merge with YKM by the end of 2012 and began operating at Büyükdere Cad. No:245/A Uso Center Zemin Kat Maslak / İstanbul. 2012 values were calculated for the former office at Büyükdere Cad. Noramin İş Merkezi No:55 K: B-1 Maslak / İstanbul. When basis years 2012 and 2013 are compared, we observe 22.46% decrease in the change in Unit Emission and 12.15% in consumption per sqm.



Boyner Büyük Mağazacılık Green Office



Boyner Büyük Mağazacılık (BBM) and Doğal Hayatı Koruma Vakfı (WWF) began to cooperate for green office implementation in 2012. In this context, head office in-structure was renovated as environment-friendly while we have focused on consumption habits of employees and green consumption at the same time.

We Monitored Four Consumption Sources During the Process

Electricity, Natural Gas, Water and A4 papers consumed in the head office are monitored and reported monthly and recorded both in type of consumption and its greenhouse gas equivalent CO₂-e

The following amounts are recorded according to 2013-2014 Consumption values.

Consumption	Total Consumption		Annual Consumption Per Person			Monthly Consumption Per Person			Daily Consumption Per Person			Consumption by sqm		
	2013	2014	2013	2014	% Change	2013	2014	% Change	2013	2014	% Change	2013	2014	% Change
Electricity Kwh	1.256.851	1.041.805	3.065,49	2.264,79	-%26	255,46	188,73	-%26	12,41	9,10	-%27	135,15	112,02	-%17
Natural Gas m ³	45.233,00	41.412,00	110,32	90,03	-%18	9,19	7,50	-%18	0,45	0,36	-%19	4,86	4,45	-%8
Water m ³	5.407,00	5.070,00	13,19	11,02	-%16	1,10	0,92	-%16	0,05	0,04	-%17	581,40	545,16	-%6
A4 Paper Kg	6.289,93	5.503,73	16,38	12,68	-%23	1,37	1,06	-%23	0,07	0,05	-%23			

Some 3% decrease is observed both in consumptions per person and per m² for each item.

We reach the following numbers when to try to find CO₂-e equivalents by adding these consumption values. Similarly, a decrease in emission targets both per person and per m² equivalent is observed.

Emission tCO ₂ -e	Total Emission Tons CO ₂ -e		Per Person			Emission Per sqm		
	2013	2014	2013	2014	% Change	2013	2014	% Change
Electricity	672	492	1,64	1,07	-%35	0,0723	0,0529	-%27
Natural Gas	88	81	0,21	0,17	-%18	0,0095	0,0087	-%8
A4 Paper	4	3	0,01	0,01	-%23	0,0004	0,0003	-%25
Total Emission	764	576	1,86	1,25	-%33	0,0822	0,0619	-%25

The Effect of the Project Increases with Employee Participation

"Green Team" formed by Boyner Büyük Mağazacılık head office employees work as group that gathers periodically to develop projects for preventing the consumption of excess water, paper and electricity, distribution of wastes, increasing the awareness of employees and changing employee habits in the building.

The team organized awareness campaigns to ensure that these capital investments are supported by employee actions. During these campaigns, personnel was encouraged to decrease their use of water, paper and electricity. The work was given the in-house brand "Green Touch."

"Activist Pandas" created within the context of Green Office project has increased awareness of the company. Messages were delivered to employees via seven 3-D panda bears, which encouraged their participation in the Green Office activities. Additionally, a green consumption manifesto was issued.

Green office consumptions are monitored periodically, and consumption is kept to a minimum with current situation analysis and seasonal measures.

In June 2014, Boyner Büyük Mağazacılık has acquired Green Office Certificate from Doğal Hayatı Koruma Vakfı (WWF) by the actions taken to become a green office.



Bir Gezegen, Bir Gelecek (A Planet, A Future)

Boyner Büyük Mağazacılık received its certificate around June 5, World Environment Day and entered into another groundbreaking implementation which supports the environmentalist approach of the company. Boyner Büyük Mağazacılık head office drew attention to environment problems and extinct plant types on June 5th World Environment Day and implemented another interactive project for the participation of both customers and employees to functionally contribute to the environment. In the first stage of this three stage project, paper cups used by Boyner head office employees to motivate collective awareness are collected for 3 weeks in May; then pine saplings are placed in these cups and used in the window design of Boyner stores forming a design called "Bir Gezegen Bir Gelecek" (A Planet, A Future)

Saplings displayed for one month to watch their growth and claimed by store customers. Windows designs performed to increase environmental conscience has turned into employee volunteering project. Pine saplings used in window designs are collected by Boyner Group Volunteers and planted at Aziz Nesin Vakıf Çiftliği in Çamlıca as led by Green Team.

**Boyner Büyük Mağazacılık: Carbon Disclosure Project partnership (CDP)**

The Carbon Disclosure Project (CDP) was created in 2000 to collect data and create resources in order to help companies, investors and governments in their fight against climate change. Boyner Büyük Mağazacılık is reporting to CDP since 2012.

Emission Sources and Greenhouse Gas Protocol is based on the ISO 14064-1 Standard. As a result, we have included in our calculations emission sources such as those falling under Scopes 1 and 2. For emission sources

IPCC methods and measurements are used while government organizations operation values and UNFCCC values are used for Turkey. Operational boundaries for 2012 and 2013 were restricted to BBM head office. In 2014, 78 Boyner and 63 YKM stores were included in operational boundaries.

In 2015, we aimed to expand this implementation by including all stores and operations under Scope 3. If we analyze emission sources used in 2014 Emission calculations;

Scope 1: Diesel Used in Generators, Natural Gas for Heating Purposes, Diesel Oil, Fuel-Oil, Diesel- Benzene Used in Company Cars, Leak HFC Gases Caused by AC, Fire Extinguishers

Scope 2: Electricity-induced Emissions

Data gathered during January1, 2014 – December 31, 2014. Related emission factors are included in the calculations, and the following sums are obtained. 2012 and 2013 values obtained from previous studies were added to the table. However, during these two years only head office is considered, and the emissions increased with the inclusion of stores.

	2012 (ton CO ₂ -e)	2013 (ton CO ₂ -e)	2014 (ton CO ₂ -e)
Scope 1	532	844	2.334
Scope 2	631	672	26.478
Total	1.163	1.516	28.812

The emission rise in the year 2013 is related to the increase in total head office area and the acquisition of YKM. Unlike the previous calculations on Energy Efficiency in Buildings, these calculations include emissions whose resources are to be found outside the buildings.

As of 2013, Boyner Büyük Mağazacılık stores are also included in his calculations. and operational boundaries are expanded. As seen in the table below, store emissions make 89% of out general emission.

CO ₂ -e (Values are given in Ton)	Head Office	Store	Total
Scope 1	212	2.122	2.334
Scope 2	492	25.986	26.478
TOTAL	704	28.108	28.812
RATE IN TOTAL	%2	%98	%100

BBM (Unit emissions are

	Ton CO ₂ -e
Emission per Employee Ton CO ₂ -e	5,1085
m ² per Emission Ton CO ₂ -e/m ²	0,0962
Emmission Per Revenue Kg CO ₂ -e / TRY	0,0172



2014

To Expand Sustainability within Our Impact Area

To Expand Sustainability within Our Impact Area

Supply Chain Sustainability

We carry out social compliance practices in our custom brand production supply chain in order to reply to all questions of our customers about the products we provide, to facilitate a sustainable supply chain for our custom brand productions, and to expand our corporate responsibility principles towards all our business partners according to our "Unconditional Customer Happiness" principle. Within the scope of this practices, we perform social compliance controls with our suppliers and subsequently prepare regulatory action plans in order to perform positive actions regarding the issues detected as incomplete and inadequate. In 2014, we expanded the impact area of our practices which began in 2013.

We carry out our practices in order to improve the environmental, social and economic impacts our products during the manufacturing process, as well as

- to create long term environmental, social and economic value,
- to maintain continuity of the business, to protect the integrity of the brand,
- to manage efficient source and business costs, and to encourage our suppliers to do the same.

Within the concept of our sustainable supply chain practices, we have primarily initiated responsible procurement application and revised our related contracts accordingly. We have updated the contracts or signed undertakings with our suppliers. Subsequently we have informed our suppliers through trainings and consultancy. Additionally, we have begun to implement the social compliance audit and monitoring device which is developed by us to our strategically defined suppliers.



BOYNERGRUP

ETHICAL PRINCIPLES AND CODE OF CONDUCT IN SUPPLY MANAGEMENT

WE ARE RESPONSIBLE FOR MAINTAINING THE BALANCE

Staff is offered equal opportunities in recruitment, employment, remuneration, participation in training, promotion, retirement and all other work related aspects. Any discrimination based on color, gender, religion, marital status, sexual orientation, political ideology or membership, ethnic identity, health condition, family responsibilities, trade union activity or membership, physical disability or age are deemed unacceptable. On the basis of equality, we expect our business partners to provide fair treatment and equal opportunities to their employees as well.

WE ARE RESPONSIBLE FOR THE HEALTH AND SAFETY OF THE EMPLOYEES

We expect them to provide a healthy and safe working environment for the employees, to inform them about occupational illnesses and to perform the required regular health controls. Employees shall be supplied with fresh drinking water, clean restrooms and protective materials.

WE ARE RESPONSIBLE FOR THE EDUCATION AND DEVELOPMENT OF CHILDREN

Employment of children under 15 years of age in our companies and workplaces of our business partners and their business partners are considered as abuse of children's rights and are unacceptable. Regarding the employment of young workers between 15-18 years of age, we expect to comply with the legal regulations that support their physical and psychological development.

WE ARE RESPONSIBLE FOR THE PROTECTION OF PREGNANT AND NURSING WOMEN AND YOUNG WORKERS

We expect to comply with the legal regulations regarding the working conditions of pregnant and nursing women and young workers. Protection in the work place, following special regulations regarding working hours are essential.

WE ARE RESPONSIBLE FOR THE PROTECTION AND HEALTH OF THE ENVIRONMENT

In all facilities and production processes, we expect awareness in reducing all conditions that may threaten human health and the environment to a minimum. Business partners are responsible for maintaining production and providing materials in compliance with local and international environmental legislations.

To Expand Sustainability within Our Impact Area

While determining the scope and plan of social compliance audit and monitoring, practices, initially we included suppliers and their associated sub-producers that we have a huge impact on and our ratio is relatively high in own total capacity.

Within the scope of audit, monitoring and improvement practices of our suppliers, carried under labor rights, protection of human dignity, occupational health and safety, non-discrimination, waste management, safe usage of chemicals, energy and water consumption, good governance, transparency, and accountability, we have audited 45.52% of our direct producers and 11.70% of their associated sub-producers, and prepared regulatory action plans on insufficient and incomplete issues.

In 2013, we had to part our ways with 4 suppliers that did not perform any positive action. Also in 2014, we had to part our ways with 13 suppliers that did not comply with our social compliance standards and did not take any positive actions regarding this matter.

Within the scope of audit, monitoring and improvement practices of our suppliers, carried under labor rights, protection of human dignity, occupational health and safety, non-discrimination, waste management, safe usage of chemicals, energy and water consumption, good governance, transparency, and accountability, we have audited 45.52% of our direct producers and 11.70% of their associated sub-producers and prepared regulatory action plans on insufficient and incomplete issues.

AREAS OF AUDIT AND MONITORING

- Management systems
 - › Legal documents
 - › Informing the employees and basic employee participation mechanisms
 - › Labor contracts
 - › Labor records

Right to Labor and Occupational Health and Safety

- Working hours and leaves
 - › Night work
 - › Overtime hours
 - › Weekly and annual leaves
- Payments and social benefits
 - › Minimum Wage
 - › Payment methods
 - › Overtime payments
- Non-discrimination policy
 - › Equality principle
- Disciplinary procedure
 - › Right to Defend
- Working conditions of pregnant and young employees
 - › Working conditions
 - › Working hours
 - › Annual leaves
- Child workers and forced labor
- Access to health services
 - › Routine examination leaves of pregnant women
 - › Notification of occupational accidents
 - › First aid trainings
- Service safety
- Fire Safety
 - › Emergency trainings
 - › Emergency responsible
 - › Preventive and protective equipment
- Building Safety
- Safe use of chemicals
 - › Information Sheets
 - › Personal Protection Equipment
- Electrical safety
 - › Certification
 - › Preventive measures
- Safe use of machinery
 - › Training
 - › Notification
 - › Personal Protection Equipment
- Waste management, energy and water management
 - › Certification
- Workplace hygiene
 - › Training

PRODUCT SAFETY

The chemicals used during the production of our products are controlled and monitored. We carry out laboratory tests for verification procedures. In order to maintain product safety of different brands offered to our customers in our department stores, necessary measures are taken regarding the safe use of chemicals and contracts and/or undertakings according to responsible procurement principles. To this end, we inform both our teams and suppliers in meetings we organize about follow up of regulations and their harmonization and we also inform our suppliers in written regarding the chemical safety with the help of tools. We provide consultancy through our sustainability department to our suppliers about the regulations they need to get harmonized and the areas of compliance.

GROWING TOGETHER

In 2014, we organized a Sustainable Supply Chain Meeting focusing on "GROWING TOGETHER" attended by 189 representatives from our 158 suppliers. Steps that we take in order to engage our suppliers into our responsible production cycle:

- Description of our Expectations
 - a. We shared our code of ethics and conduct
 - b. We included such codes in our business agreements and/or undertakings.
 - c. We established a Monitoring and Audit mechanism and explained the procedure to our suppliers
- Monitoring and Evaluation
 - a. We are supervising the compliance with our social standards
 - b. We are drawing up an action plan in case of any non-compliance
 - c. We are excluding the suppliers who fail to make harmonization
- Improvement and capacity development
 - a. We are putting effort to improve our suppliers through follow-up audits
 - b. We provide them advise on issues they require
 - c. We are attempting to increase the capacity of our suppliers through tailored projects
- Employing partnership
 - a. Our goal is enabling our suppliers to undertake the social compatibility in line with their capacity and to actualize their own inspection mechanisms
 - b. We promote that the suppliers who have a compliance at this level are preferred by all brands of our group

In an attempt to support our suppliers in their establishment of mechanisms related to our standards of management, compliance with regulations and social compliance, in 2014 we prepared the publication titled "Supply Chain: Manual of Social Compatibility" and we shared with our all suppliers. Moreover, besides the audits conducted in the fields of social compatibility, our sustainability team offered consultancy in business standards, principles of corporate governance, and Occupational Health and Employee Safety to our suppliers who raised their demand in terms of identified issues.

2014

To Expand Sustainability within Our Impact Area

COMPREHENSIVE SUPPLY CHAIN: Empowerment Program for Woman Entrepreneurs

In the last quarter of 2014, in parallel with our "comprehensive supply chain" approach, we initiated to build our cooperation with International Finance Corporation (IFC) in order to increase the capacities of the female entrepreneurs within our supply chain.



As of December 2014, as a part of our collaboration with IFC, we both carried out studies to identify the female entrepreneurs involved in our supply network as well as studies of needs analysis aiming to differentiate the entrepreneur women who are assuming positions in management of the business and to support the leadership capabilities of these women in addition to support the corporate capacities of the enterprises they govern within the framework of the requirements defined by the same women. Following our needs analysis study to be completed in 2015, we will be supporting both personal and corporate capacities of entrepreneur women through providing training, consultancy, and mentorship, building network, etc.

EXTENSIFICATION

We get a publication issued by UN Global Compact Advisory Group on Supply Chain Sustainability in 2013 entitled "Supply Chain Sustainability: A Practical Guide to Continuous Improvement" translated into Turkish and distributed. In 2014, making and additional issue of the said publication we supported the extensification studies via our collaborating stakeholders.

LEARNING TOGETHER

Believing in the creation of a commutual learning environment by the studies conducted with our stakeholders, we kept on our active participation in national and international organizations and supporting extensification of the studies platforms where we have memberships.

In this context, in 2014 we continued taking part in activities of UNGC Advisory Group on Supply Chain Sustainability as a member of the Advisory Group as well as presiding over the UNGC TR Supply Chain Working Group aiming to share our knowledge and experience we gained in the global scale.

Furthermore, subsequent to the publication entitled "Establishment of Gender Equality in Professional Life" we had prepared in 2013 for the "EQUALITY AT WORK" platform, we prepared the publication "Establishment of Gender Equality in Supply Chain" to be printed and distributed by Ministry of Family and Social Policies in 2015, a tool which enabled us to compile our studies on democracy at the workplace and sustainable supply chain as well as to transfer our knowledge and experience to other organizations.



OUR TARGETS in 2015

In 2015, our goal was to include our entire network of supply providing our custom brand productions into our mechanism of supervising social compatibility. We have already commenced the Supply Chain Optimization Project in 2014 which will be completed in 2015 making it possible to evaluate our suppliers under the titles of quality, purchasing, and social compatibility. The mechanisms we have built driven by sustainability and growing together will help us not only in establishment of health and safety of our own products but also in bringing into existence the business models which we foster together with our suppliers having sustainable financial models. The main point of the Sustainable Supply Chain Meeting, we will accommodate in 2015 is planned to be "Continuous Improvement".

In the last quarter of 2014 we have started the Optimization Project of Joint Purchasing for the Group throughout the Boyner Group companies which we aim to get functional within the 2nd quarter of 2015, in order to get differentiated in terms of our product quality and price range; to build up a sustainable supply network; and to enhance our market share, profit and brand creditability among the custom brands making use of group-wise purchasing and economy of scale along our custom brand supply flows.

- Joint purchasing studies have been initiated determining the product groups and raw materials for which it is feasible to unify the procurements without implementing any changes on the brand identities or design /fashion approaches of our companies. Thus, we will be able to implement a faster audit of chemical safety of our products and social compatibility of our suppliers.
- Systemic development studies have been commenced in order to identify most appropriate suppliers for our companies with the help of ranking and partitioning analysis of custom brand suppliers. To this end, starting with developments using SAP, studies were launched in order to enter into the PLM world.
- Our supplier number has been optimized in line with our production requirements and competencies of our suppliers based on the analysis depending on the available data. Levels of social compatibility were respected as an essential parameter of the harmonization process and thereby strategic partnerships were initiated with our suppliers meeting a good level of compliance.

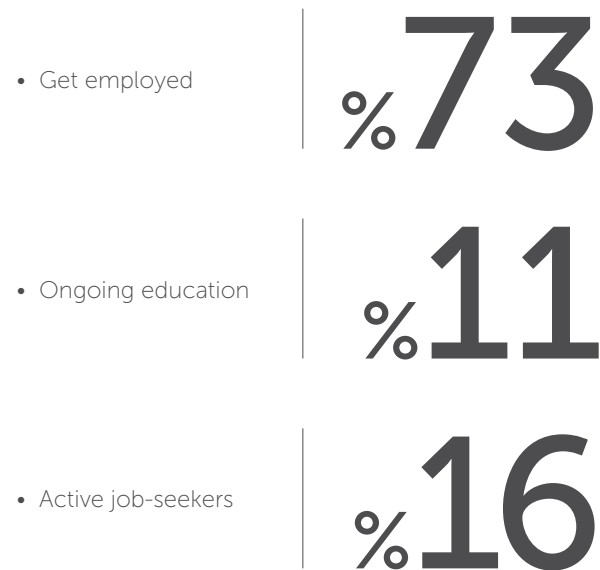
The main focus of the Sustainable Supply Chain Meeting, to accommodate in 2015 is planned to be "Continuous Improvement".



Contribution to Society



Güçlü genç kadınlar,
mutlu yarınlar.



CONTRIBUTION TO SOCIETY

We are cooperating with entities, institutions and establishments working for democratization and development of Turkey to launch projects aimed at contributing to the society. We especially cooperate with institutions that place an emphasis on human rights, gender equality, the environment and diversity.

Pomegranate Arils: Stronger Young Women, Happier Futures

Originating back in 2009, our project called Pomegranate Arils Stronger Young Women, Happier Futures is being coordinated by the Ministry of Family and Social Policies and Boyner Holding and its subsidiaries taking the technical support of the UNFPA, General Directorate of Child Services (GDSCS), and the Human Management Association of Turkey (PERYÖN) and in cooperation with Family Health and Planning Foundation of Turkey (TAPV). In 2014, expanding our impact zone we progressed with the project together with our stakeholders.

In this project raising awareness in social inclusion, continued education and participation in employment of disadvantaged groups, in time period of 2009-2012 we worked together with young women at the age of 18-24 who are high school graduates, as a minimum, and who were raised in reformatories of General Directorate of Child Services, still being cared by foster-parents or by their families supported by public relieves or financial aids.

What we have learnt during the first four years of this project:

- Described group is in need of long-lasting support which has to start before the age of 18
- Personal development
- Getting social
- Guidance on education and professional career according to skills and areas of interest
- Personal care and support during adolescence

Taking what we have learnt during the first four years of this project into consideration, we have planned to increase the personal knowledge and competencies in raising the children of the staff employed in the dormitories of the General Directorate of Child Services in accordance with their duties and, and within this scope, to offer training to the staff in 2013-15. This plan was already put into practice. In this time period, the knowledge gathered during the project will be transferred to minors under the age of 18 via the staff employed in the General Directorate of Child Services. Studies have been launched through supporting human resources targeting to increase the capacities of the staff in charge of assisting the development of children so that they can meet the current needs. For this purpose, we started accomplishing and monitoring following activities; staff training, keeping up with the contributions on children's development made by the trainings, strengthening the cooperation with the local stakeholders and the Directorate.

From 2009 through 2012, 162 young women from across Turkey completed a two-week educational program and received a year of mentorship support. **Among the young women who participated in the project in 2014, currently 73% are employed, 11% continued their education, and 16% are active job seekers.**

In 2013; we carried out needs analysis studies in seven provinces (Bursa, Samsun, Sivas, Ankara, İzmir, Diyarbakır, Konya) with the participation of staff from 445 institutions; as a result, we organized needs-based training programs in four provinces (Sivas, Bursa, Diyarbakır, Samsun) for 305 directors, care staff, group and dormitory managers and vocational teachers.

In 2014, in a further contribution to the sustainability of the project, Pomegranate Arils project **Child Empowerment Program** offered Complementary Trainings attended by people including officers in charge of groups and homes, caretakers, volunteers, children and teenagers, provincial coordination teams, 369 individuals in total.

Cooperation with local governments in four pilot provinces - Sivas, Diyarbakır, Bursa and Samsun- where studies for Child Empowerment Program are ongoing have accelerated the project.

The long-term goal of the project is to hand over the model developed by the Pomegranate Arils initiative to the General Directorate of Child Services through training seminars for relevant public employees and new educators, and thus expand it to all children under protection across Turkey.

Publications of the Project



I am Precious:

The studies performed on the project aiming empowerment was assessed by Dr. Nihan Bozok in sociological aspects, and social impact of initial studies within the project was measured.



Training Manual:

The contents of all trainings shared with Pomegranate Arils under the scope of the project were turned into a manual and were accessible via project's website by all relevant organizations and people who may require.



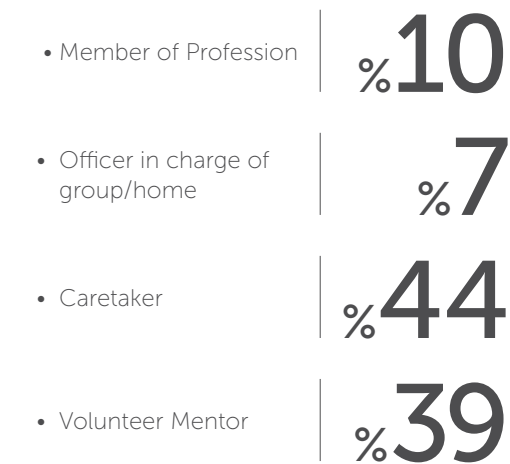
Career Planning Manual:

Prior to the onset of 2nd term studies, the project has issued the publication entitled "Career Planning Manual" which might be required particularly by the population of high school age and used by the people dealing with this age group and likewise accessible via the website. This manual was sent to the organizations under GDSCS.

Pomegranate Arils -Distant Learning Platform

In 4 provinces preset in 2013-2014 period of the project and focusing on needs analysis and training programs, implementation of Pomegranate Arils - Enocta distant learning platform was started in 2014 including various task groups and 91 select participants. The joint work launched in July 2014 is projected to be carried out until the end of 2015.

Breakdown of distant learning participants:



Breakdown of distant learning participants by provinces:

- Bursa 24%
- Diyarbakır 22%
- Samsun 37%
- Sivas 17%

Titles of the trainings offered by the Pomegranate Arils - Enocta distant learning platform

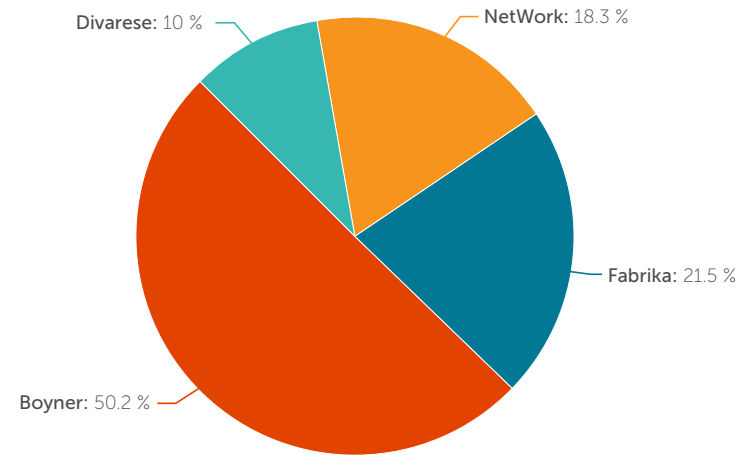
- Body language
- Communication Starts with Understanding
- Techniques for Coping with Stress
- Stress Management for Employees
- Bodily Techniques for Coping with Stress
- Maintaining Healthy Relations
- Mental and Emotional Cooperation
- Anger Management
- Management of Motivation
- Focusing on our Strengths
- Methods to Cope with Depression
- Conflict Resolution (for Managers)
- Conflict Resolution
- Effective Problem Solving
- Problem Solving Techniques
- Coping With Difficult People
- Today's Leaders
- Personal Impression for Impact in Professional Life
- Professional Attitude in Business Life
- Negotiation Skills
- Decision Making
- Fundamental Coaching Skillset
- Coaching with Challenging Questions

YUVARLA (ROUND UP)

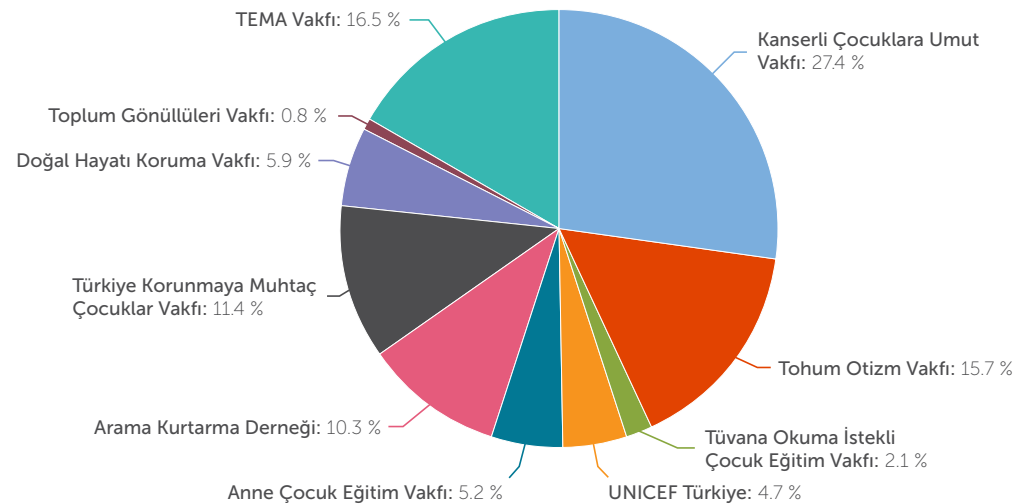
Through our online retail channels www.network.com.tr, www.divarese.com.tr, www.fabrika-tr.com, and www.boyner.com.tr, we provided a medium for our customers named "ROUND UP" enabling them support the non-governmental organizations. Following a flawless shopping, our customers, upon their own will, may round up their cart amount and easily offer financial aid to the non-governmental organization of their preference. Started in 2014 and replenishing the donation culture, the "ROUND UP" novelty succeeded a total of 5004 occasions of donation across 2014 which were directed to non-governmental organizations preferred by our customers.

With round up:

- Until August 2014, 501 donations were placed via www.network.com.tr, 270 donations were placed via www.divarese.com.tr and 651 donations were placed via www.fabrika-tr.com.
- And until November 2014 www.boyner.com.tr accommodated 3582 donations.



Non-governmental organizations preferred by donators



İYİLİĞE DÖNÜŞTÜR (CYCLE INTO FAVOR)

In 2014, at Boyner and YKM stores we invited for the recycling of no-use textile products under the project "Cycle into Favor" held by Boyner Büyük Mağazacılık, a Boyner Group Company. We made invitations in our stores, by written interviews or social media accounts targeting our employees, customers and visitors calling them to bring any no-longer-used textile products to our stores stating that we will be reducing wastes through reuse and recycling. We organized this project together with a charity, Lokman Hekim Sağlık Vakfı. We transported the collected products to the depot of the charity in Gebze where they were subject to sorting. The sorting was carried out in categories of products with possible reuse, products to be recycled and products to make use in order to obtain income for the charity.

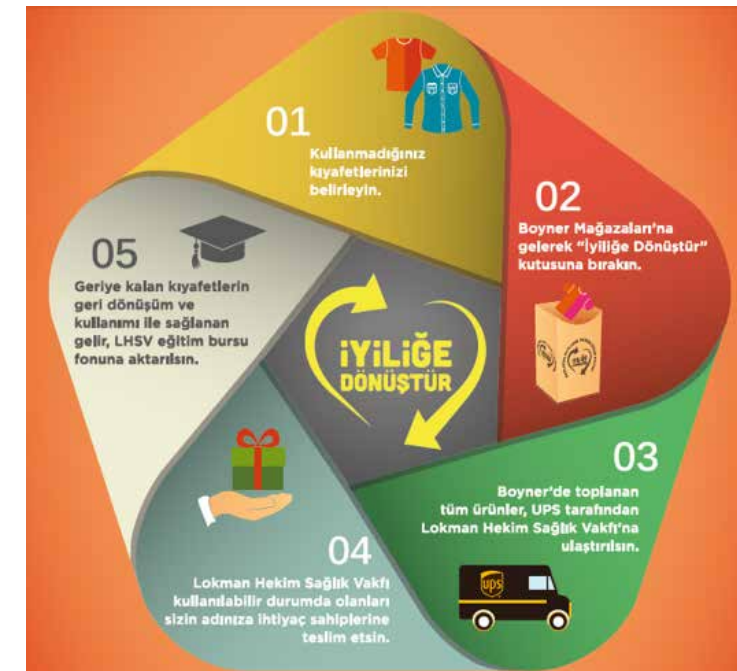
Placing collection boxes within the stores and communicating the message that they can leave the no-use textile products in the boxes found in the stores, we ensured that Boyner and YKM become partners of "Cycle into Favor" project.

Leading this campaign, we not only served people a platform of doing favor but also enabled environmental gain and delivery to individuals in need via Lokman Hekim Vakfı. We communicated society the following message; "Things out of your use mean a lot for the public and the environment". We aimed recycling or reuse of garments and all kinds of textile materials. Out of the brought products, ones in usable condition were delivered to the needers while unusable ones were included into the recycling process. Lokman Hekim Vakfı was entitled to make use of the income from the entire process, transferring to its own scholarship funds. With this project, ultimately, we have created a source for the scholarship fund, and we shared this information with the donators of textile products.

This campaign was brought into effect through the active participation of customers, reinforcing a sustainable and continuous model with high economic, social and environmental impact with the help of project cooperation. Starting from the very first day, boxes located inside the stores and in turn the depots in Lokman Hekim Vakfı were filled in.

Thanks to the contributions from our customers, starting from October 2014 there has been a total of 4,355 donations in this project. In the recycling process, 2,780 kg of textiles were converted into energy; 3,075 pieces were used in charity sales, and 191,880 kg of metal items was sent for metal recycling. Cycle into Favor project has delivered social benefits under various titles.

Thanks to the contributions from our customers, starting from October 2014' there has been a total of 4,355 donations in this project. In the recycling process, 2,780 kg of textiles were converted into energy; 3,075 pieces were used in charity sales, and 191,880 kg of metal items was sent for metal recycling. Cycle into Favor project has delivered social benefits under various titles.



Volunteer work by Employees



Boyner Group Volunteers

In 2014, our 349 volunteers carried out 4398 hours of such volunteer activities in service to society. In 2013, a total of 1649 hours of volunteer work was undertaken by Boyner Group Volunteers, in 2014, the same increased up to 4398 hours.

Boyner Group Volunteers (BGG)

Our generously awarded corporate volunteer program, Boyner Group Volunteers, is a key component of our socially responsible citizenship approach.

349 volunteers were engaged in volunteering for 4398 hours.

In 2014, our 349 volunteers carried out 4398 hours of such volunteer activities in service to society. In 2013, a total of 1648.5 hours of volunteer work was undertaken by Boyner Group Volunteers, in 2014, the same increased up to 4398 hours.

Since 2002 Boyner Group Volunteers (BGV) has been contributing to resolving social problems through projects and activities in the subject fields that are decided each year. Our volunteers get our corporate responsibility, and sustainability understanding disseminated and improves the impact area as that also ensures that our stakeholders participate in their organizations.

Under the framework of corporate development, Boyner Group Volunteers (BGV) keep their own database to measure the social contribution and impact of all activities and projects carried out within the year.

The database also keeps records of the fields of interest of our workers, subjects they would like to act as volunteer thus determining the personal interests and volunteer supports that may offer, it gives us the opportunity to describe developmental areas directed to improve the volunteer involvement.

Actions by Boyner Group Volunteers in 2014

Our Campaigns: Boyner Group Volunteers continued with the "Share Your Excess One", "5 December Volunteering Day", and "Blood Donation" campaigns in addition to arranging new campaigns. The focus of and the benefit provided by the campaigns organized was to support the groups with socioeconomic disadvantages.

Our Activities: Every year, we are going on making visits with the assistance of the organizations we work. Predominantly these visits cover aged care facilities, orphanages, and hospitals. We pay attention to ensure that our visits are regular. Furthermore, we organize fund raising activities, in the form of creative activities, in favor of non-governmental organizations supported by our volunteers. In 2014, in the activity called "I Baked the Nicest Cake" our employees in stores offered the cakes they have baked to taste of other employees of the company, and they donated the resulting income for the benefit of society. In accordance with our environmental awareness, Boyner Group Volunteers were engaged in the Planting activity of Aziz Nesin Vakfı in which they voluntarily dibbled pine plants under the One Planet, One Future project.

Boyner Group Volunteers create their projects by giving shape to their activities and campaigns under the titles of support to needers, social inclusion of disadvantaged groups, fund raising, increasing motivation, support to non-governmental organizations, and improvement of environmental awareness and strategic philanthropy.

Our Reporting Reference

References to the UN Global Compact

UN Global Compact	Corresponding Report
Section Human Rights	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Sustainability Method and Our Stakeholders, Our Work Ecosystem/ Democracy in the Workplace/ Equal Opportunities/ Council of Ethics
Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	Supply Chain Sustainability Our Principle of Equal Treatment
Working Conditions	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Supply Chain Sustainability, Freedom of Association
Principle 4: The elimination of all forms of forced and compulsory labor;	Supply Chain Sustainability
Principle 5: The effective abolition of child labor;	Supply Chain Sustainability
Principle 6: The elimination of discrimination in respect of employment and occupation.	Our Work Ecosystem/Our Principle of Equal Treatment/Equal Opportunities/ Our Compensation Policy/ Democracy in the Workplace
Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges;	Sustainability Management and Stakeholders, Environmental Awareness,
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	Sustainability Management and Stakeholders, Our Environmental Awareness, Supply Chain Sustainability, Cycle into Favor
Principle 9: Encourage the development and diffusion of environmentally friendly technologies	Environmental Awareness
Anti-Corruption	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	Anti-Corruption, Council of Ethics

Boyner Retail and Textile Investments

Eski Büyükdere Cad. Park Plaza No:14 Kat:15-16 34398 Maslak / İstanbul
 Contact person for the further details of Boyner Retail Sustainability Report: Aysun Sayın
 Corporate Responsibility and Sustainability Department / asayin@boynergrup.com



*corporate governance
principles compliance report*



Chapter 1 - Corporate Governance Principles Compliance Statement

As a well-established entity with strong corporate foundations, Boyner Group respects the corporate governance approach strictly since it is considered to be the key to continued successful business practices. Boyner Perakende ve Tekstil Yatırımları A.Ş. ("Company" or "Boyner Perakende" or "Group") equally protects interests of its shareholders and all other stakeholders and aims at maximizing its market value.

On fiscal period of 2014, compulsory ones among the Corporate Governance Principles enclosed to the Capital Markets Board's "Corporate Governance" Communiqué Nr. (II-17.1) were strictly followed, while non-compulsory ones are also mostly adopted by the Company. In this regard, the studies implemented during 2014 for the purpose of further enhancing the compliance with the Corporate Governance Principles are briefly mentioned herein below.

At the Ordinary General Assembly Meeting of our Company dated March 27, 2014:

- The new "Remuneration Policy" was resolved pertaining to the principles regarding remuneration of members of the Board of Directors and senior level managers.
- The "Dividend Policy" revised as per Capital Markets Board's Communiqué Nr. (II.19.1.1) on Dividend was resolved.
- The upper limit was decided for donations and aids to be allocated in 2014.

Moreover, at the Ordinary General Assembly Meeting of our Company dated March 27, 2014, amendments to the Articles of Association were approved which increase the registered capital cap of the Company from TRY 40,000,000.- to TRY 500,000,000 to be effective until the end of 2018 and thus granting compliance with the provisions of Turkish Commercial Code numbered 6102 and Capital Markets Law No:6362 and which change the former trade title Altinyıldız Mensucat ve Konfeksiyon Fabrikaları Anonim Şirketi to become as "Boyner Perakende ve Tekstil Yatırımları Anonim Şirketi"

in order to reflect all of our fields of activity and actual lines of business in our trade title.

At the meeting of the Board of Directors dated April 28, 2014, the responsibilities of executive board members were decided.

The Company Disclosure Policy updated as per the Capital Markets Board Communiqué Nr. II-15.1 on Exceptional Cases as well as the "Guidance on Exceptional Cases" was approved by the Corporate Governance Committee and adopted at the meeting of the Board of Directors dated 14.07.2014 and the former official website address www.altinyildiz.com.tr was changed in parallel with the new title to become www.boynerperakende.com. Similarly, website of the company was redesigned making any necessary revisions in terms of full compliance with the Corporate Governance Principles taking investor requirements also into consideration.

Related party transactions were submitted in full for the information of the Board of Directors where resolution was made in favor of continuation with the same taking approval of our independent board members.

Since our company is in the 3rd Group as of 2014, two independent members are sufficient as per Article 6.1 of Communiqué Nr. (II-17.1) on Corporate Governance (CCG).

Although the ultimate goal is to comply with all noncompulsory Corporate Governance Principles, full compliance has not yet been fully established because of difficulties in implementing some of the principles and differences between some principles and current market, company structure. We are still working on the principles we have not implemented yet and the plan is to incorporate these principles after completing administrative, legal and technical infrastructure works of our Company in a manner effectively contributing to the company management.

Corporate Governance Principles Compliance Report 2014 was drafted following the novel format introduced in the Board Bulletin dated 27.01.2014 Nr.2014/2 of Capital Markets Board.

The principles other than the ones which are being implemented currently and not have been applied yet did not result in a conflict of interest among the stakeholders by now.

Noncompulsory Corporate Governance Principles not yet Adopted by our Company

Explanation that have to be declared by our Company as per Article 8 of CCG related to the non-adopted noncompulsory Corporate Governance Principles, are principally stated herein below:

- 1.3.10. Our Company has not yet drawn up a "Policy on Donations and Aids" and not submitted it for the approval of the general assembly. At the Ordinary

General Assembly Meeting in 2014, on the other hand, information was given on donations and aids granted within 2013 under a separate point of the general assembly's agenda and the donation limit for 2014 was decided. In this scope, implementation of donations and aids are foreseen without any restrictions about the organizations to be supported.

- 1.3.11. General Assembly meetings are open for public attendance. Stakeholders and media are allowed to watch the meetings. There is no provision, however, on this matter in our articles of association.
- 1.5.2. Our Company acts in due diligence to ensure minority rights are exercised in accordance with the provisions of the Turkish Commercial Code. Although it is not regulated specially by the articles of association, the independent structure of board of directors and the right of voting and principles of e-general assembly as per provision of CMB were specified in our articles of association and thus voting rights were ensured in accordance with the provisions of the Turkish Commercial Code. Although the right to request a special auditor is not regulated as a personal right to our articles of association, under the Article 438 of the Turkish Commercial Code and in order to exercise their rights properly, when they deem necessary, each shareholder is entitled to ask from general assembly for clarification of certain instances through a special audit even if this is not involved in the agenda in case they had previously used their rights to take information and to inspect. While 2014 shareholders did not ask for such an audit.
- 2.1.3. As our company is in the 3rd Group as of 2014, explanations in English in exceptional cases are put on the following day in addition to financial sheets and annual report in English which are made available in the shortest time via its official website.
- 4.2.4. Studies on the effectiveness of risk management and internal audit systems are ongoing.
- 4.2.5. The chairman of the board and the general manager of our company are two separate persons. A clear differentiation of their authorizations and statement of this distinction in written in the articles of association will be comprehensively handled in the next period.
- 4.4.5. It is not stated in written form by in-house regulations how to hold the meetings of Board of Directors. Compliance with this principle will be comprehensively handled in the next period.
- 4.4.7. Our members of Board of Directors are trusted by their careers, and their competencies are bringing essential contributions within the principles of confidentiality. No restrictions were introduced regarding the duties of the board members outside the Company and likewise, in the general assembly, the intra-group and non-group duties assumed by the candidate members and underlying rationales

were not indicated specifically under the relevant point of agenda. Such a restriction is not deemed necessary, particularly taking into account that the work experience and field insight of independent members delivers an essential contribution to the Board of Directors.

- 4.5.5. Evaluating certain issues such as its volume of operation and administrative needs, our company concluded the independent member of the board number as 2 members. We have 3 committees, and as a result of the principle stipulating that the head of each the committee shall be an independent member, the independent members necessarily officiate for more than one committee. No intra-company conflict of interest arises from this situation. As per the list published in the Bulletin nr. 2015/1 and dated 13.01.2015 by the Capital Markets Board, our Company is classified in Group 2, and, therefore, the number of independent members has to be 3 (calculated as 1/3 of the total member number, which is 9). We are also aiming to gain compliance with this principle.
- 4.6.1. Our Company has regulated the remuneration policy in relation to the members of the Board of Directors and senior managers. In remuneration of senior level executives, long term sustainable improvement principle is also observed in non-financial fields, in parallel with the Company performance.
- 4.6.5. Wages to be paid to the members of the Board of Directors are determined by the general assembly. The footnotes of our financial tables collectively inform the public about payments made to be Board of Directors Members and senior executives in parallel to the general practices.

Chapter II – Shareholders

2.1. Investor Relations Department

As of December 30, 2013, Ms. Taliye YEŞİLÜRDÜ has been acting as the manager of our Company's Shareholder Relations unit (investor relations unit). Investor Relations and Corporate Governance Manager Taliye YEŞİLÜRDÜ is granted Capital Market Activities Advanced Level License and Corporate Governance Rating Expert License by the Capital Markets Board and at the same time she is a member of our Corporate Governance Committee. She is also in charge of coordinating the fulfillment of Company with its liabilities arising from the Capital Markets legislation and corporate governance applications.

Contact information of the personnel in the unit is as follows.

Name Surname*	Taliye Yeşilürdü
Telephone No	0 212 366 89 84
Electronic Address	tyesilurdu@boynergrup.com investorrelations@boynerperakende.com

* As of January 12, 2015, Dilge Aşut, a full time employee of our Company, has been assigned as Officer in Charge of Investor Relations Department and the necessary statement was carried forward to public disclosure platform.

The operations of this unit are monitored by the Corporate Governance Committee, and their segment is exercise of shareholders' rights; they report to the Board of Directors and assure communication between the Board of Directors and shareholders.

Investor Relations Department is operating directly under Mr. M. Türkay TATAR, a Board member, and the CFO. Investor Relations Department submits a report to the Board of Directors, once a year as a minimum, pertaining to the activities carried out. Investor Relations Department submitted its Activity Report-2014 to the Board of Directors on 18.02.2015.

Investor Relations Department is responsible for informing the shareholders and prospect investors about the Company's operations, financial status, and strategies excluding the confidential information and trade secrets and without leading to information inequality taking opinions of other departments, when required, and in coordination with other units and also for managing the bidirectional communication between the shareholders and the company managers.

The department has answered over 200 questions over the telephone or through e-mails throughout the year. Maximum care must be taken when meeting the requests of the customers.

2.2. Exercising Shareholders' Right to Information

No discrimination takes place among the shareholders during their exercise of obtaining information and inspection and all information, except for the trade secrets, are shared with the shareholders. All questions brought to the attention of Investor Relations Department excluding the confidential information and trade secrets are answered over the telephone or in written upon negotiation with the most authorized person in the field.

Our Company's website has a separate section titled "Investor Relations" which provides a wide range of complete, accurate and current information to the investors, in Turkish and English. Our Company's website has not disclosed any information or statement within this period which might have a material impact on the use of shareholding rights.

Although the right to request a special auditor is not regulated as a personal right to our articles of association, under the Article 438 of the Turkish Commercial Code and in order to exercise their rights properly, when they deem necessary, each shareholder is entitled to ask from General Assembly for clarification of certain instances through a special audit even if this is not involved in the agenda in case they had previously used their rights to take information and to inspect. Within the year 2014, shareholders did not ask for such an audit. Besides, the Company operations are being periodically audited by an Independent Auditor appointed by the General Assembly.

2.3. General Assembly

The agenda of General Assembly meeting of our Company was declared on March 5, 2014 and the annual Ordinary General Assembly Meeting was held on March 27, 2014 at 10:00 o'clock at the headquarters of our subsidiary Boyner Büyük Mağazacılık A.Ş. residing at the address of Büyükdere Caddesi USO Center Binası No:245/A KAT:B01-Z02 Maslak- Şişli/İstanbul.

Invitation to the General Assembly meetings is done by the Board of Directors in accordance with provisions of Turkish Commercial Code (TCC), Capital Markets Law, and The Articles of Association of the Company. On

the day the resolution is made by Board of Directors to make a General Assembly meeting; necessary statements are carried forward to advise the public via the Public Disclosure Platform and the Electronic General Assembly System. In addition to methods stipulated by the legislation, in a way to ensure the coverage of greatest possible number of shareholders, announcement of any General Assembly meeting is posted on our website (www.boyner-perakende.com) 21 days prior to the General Assembly meeting, by latest.

Before any General Assembly meeting, documents related to the points of the agenda are announced for public information following legal procedures and legislation in all notifications. Three weeks beforehand the General Assembly meeting and within the framework of the agenda points of the General Assembly, the annual activity report, financial statements, corporate governance compliance report, proposal on distribution of dividends, independent auditing report, amendment proposals to Articles of Association including the former and new versions wherein changes are adopted -if any amendments will be made to the Articles of Association-, Remuneration Policy, Dividend Policy, and CVs of candidate members of the Board of Directors including the independent ones are made available at the Company headquarters and website ensuring easiest access for examination of the shareholders. In addition, informative documents about the agenda points provide a detailed explanation for individual agenda points and other information anticipated in the principles for the General Assembly meetings are offered to the investors.

Accordingly, the call to the meeting, including the power of attorney template and meeting agenda, was published on March 5, 2014 through the Public Disclosure Platform, Electronic General Assembly System, Turkish Trade Registry Gazette and a national newspaper as per the provisions of the legislation and the Articles of Association.

Ordinary Assembly Meeting convened on March 27, 2014 through electronic means with a quorum of 85.94% since total 3,437,463,856 shares out of 4,000,000,000 shares equal to total company capital of TRY 40,000,000 were represented at the meeting. Only shareholders attended the meeting; other stakeholders or media had not participated. No proposals for the agenda were submitted by the shareholders for the aforementioned meeting.

For the ease of participation, our General Assembly meetings are held in the headquarters of our subsidiary, Boyner Büyük Mağazacılık A.Ş., and making use of Electronic General Assembly System (EGAS). The venue of General Assembly meetings is planned to enable participation by all shareholders.

Furthermore, the power of attorney template for the shareholders who will get them represented with a power of attorney in the General Assembly meeting is made available on our website and in the newspaper

advertisement. Minutes of the meetings are accessible through our website, as well as through EGAS and PDP. Likewise, the minutes are available at the company headquarters for the examination of our shareholders and given to those who request.

Shareholders are entitled to express their opinions and ask questions at the General Assembly Meetings. But no questions were directed by our investors at the meeting.

The wage policy was explained to the shareholders as an individual agenda item on General Assembly Meeting dated March 27, 2014 and the shareholders were offered to discuss the policy. The wage policy issued for this purpose is available on the company website.

As a separate point added to the agenda of the General Assembly Meeting, information was given to shareholders on donations and aids granted within 2014 and the donation and aids upper limit for 2014 was decided to be 0.05% (five per ten thousand) of the Company's turnover in 2013.

2.4. Voting Rights and Minority Rights

Participating shareholders or representatives have a single vote for each share at Ordinary and Extraordinary General Assembly Meetings.

There are no mutual affiliation relationships between any of our shareholders and the Company.

A secret ballot can be preferred upon the request of shareholders representing one tenth of the capital owned by the shareholders present at the Ordinary General Assembly Meeting.

Shareholders may not vote on issues or cases in which they, their spouses or persons of lineal consanguinity are involved.

There is no provision set forth in our Articles of Association, which anticipates or hinders the representation of minority in the management or which defines the minority as less than one-twentieth of the capital.

2.5. Dividend Right

There are no company shares which are privileged in terms of receiving dividend and having a say in company management.

At the Ordinary Assembly Meeting convened on March 27, 2014, financial statements belonging the year 2013 prepared as per the CMB Communiqué and the Turkish Accounting Standards/Turkish Financial Reporting Standards (TAS/TFRS) indicate that the profit amounts to TRY 428,592,842.- and also the financial statements issued on the basis of Tax Procedural Law indicate that the loss amounts to TRY 220,994,702; thus the Board's proposal of not distributing dividends and adding TRY 220,994,702 to the previous year losses and approval of

dividends distribution table; and dividends distribution table agreed.

Our dividend policy revised as per the new Capital Market Legislation has been approved by our shareholders at the Ordinary Assembly Meeting dated March 27, 2014 and is available online on Company website. Our dividend policy is also included in the Company activity report.

2.6. Transfer of Shares:

The Articles of Association do not include any provisions restricting the transfer of shares.

Chapter III - Public Disclosure and Transparency

3.1. Corporate Website and Its Contents

The Corporate website of Boyner Perakende ve Tekstil Yatırımları A.Ş.; www.boynerperakende.com is actively used for public disclosures as stipulated under the new Turkish Commercial Code and recommended by the Corporate Governance Principles of the CMB. All public disclosures made by Boyner Perakende ve Tekstil Yatırımları A.Ş. are available on the corporate website. The website has been designed and categorized accordingly. The corporate website provides information regarding Company operations for the past five years. The content and format of the website have been prepared in Turkish as stipulated by the Corporate Governance Principles of the CMB and, bearing in mind the foreign investors, most of the content in Turkish is also available on the website in English.

The Company Disclosure Policy updated as per the Capital Markets Board Communiqué Nr. II-15.1 on Exceptional Cases as well as the "Guidance on Exceptional Cases" was approved by the Corporate Governance Committee and adopted at the meeting of the Board of Directors dated 14.07.2014 and the former official website address www.altinyildiz.com.tr was changed in parallel with our new title to become www.boynerperakende.com. Similarly, website of the company was reviewed to introduce any necessary revisions in terms of full compliance with the Corporate Governance Principles.

3.2. Annual Report

Boyner Perakende ve Tekstil Yatırımları A.Ş. Annual Report provides all the information required as per the applicable Communiqué of the Capital Markets Board and the Corporate Governance Principles. Activity reports, prepared in detail, are available on line in www.boynerperakende.com website.

Chapter IV – Stakeholders

4.1. Disclosure to Stakeholders

Attention is paid strictly to notify all of the Company's stakeholders, including shareholders, employees, creditors, customers, suppliers and all potential savers who may be interested in investing in the Company's stocks, in writing whenever possible and, if required, the Company's relations with them are regulated through written agreements to the extent possible. If stakeholders' rights have not been stipulated by the legislation or under a contract, these rights of titleholders shall be protected in good faith rules within the means of the Company and by safeguarding its reputation.

Information flow to the employees is maintained coming together with various organizations, meeting regularly with the managers and via the intranet. Certain important announcements and messages are forwarded through e-mail to all employees.

Stakeholders may elevate any transaction which they think consider illegal or unethical to the attention of Boyner Group Council of Ethics Corporate via Governance Committee or Audit Committee. The review and finalization of any complaints concerning the accounting, internal audit and independent audit of the company; and the evaluation of notifications from company workers concerning accounting and independent audit are carried out by the Audit Committee respecting the confidentiality principle.

4.2. Participation of Stakeholders in Management

The Articles of Association of the Company do not contain a provision that stipulates stakeholders' participation in Company management. Nevertheless, Independent Board of Directors members serve this purpose in a sense by representing all stakeholders, as well as the Company and shareholders in the overall management.

The Company is in constant communication with all of its stakeholders. Feedback from stakeholders is processed according to internal procedures and then

submitted to senior management so as to develop recommendations for solutions and policies. No company employee is a member to any trade union, except for some workers of a subsidiary, Altınyıldız Tekstil ve Konfeksiyon A.Ş.

Corporate Responsibility and Sustainability (CRS) Department organizes the required communication groups and meetings in order to ensure participation of internal and external stakeholders in decision-making mechanisms and to receive the opinions and recommendations of the same. In this regard, communication is managed by the CRS department details of which can be found in the sustainability chapter of the activity report.

Under the heading "participation in management" of the "Boyner Group Work Principles" booklet, employee participation in the management was converted into written form.

4.3. Human Resources Policy

As a Group, we are an equal opportunities employer in terms of recruitment, work relationship, salary, participation in training, promotion, retirement and all other employment-related matters.

We do not tolerate discrimination based on race, color, gender, religion, marital status, sexual orientation, political views or affiliation, ethnicity, health status, family responsibilities, union activity or membership, physical disability or age. The Group's human resources practices are explained in detail on "A Glance at Boyner Perakende" chapter of this report and "Our Work Environment" article of Sustainability Chapter. Besides, human resource policies and practices are specified when providing detailed information about each company of the group.

In the "Boyner Group Work Principles" booklet, policies and practices of Human Resources were converted into written form.

During the recruitment process, the candidates are extensively informed about their anticipated tasks and human resources procedures. Human resources procedures after the recruitment are integrally managed ensuring the participation of employees.

For the purpose of achieving the group strategies and specified company targets in this direction, Boyner Group has a performance management procedure so that the entire management team can properly guide the employees and focus on the employee and corporate development through continual feedbacks. Performance management is a fair process where the Employee and their manager may together identify the goals and competencies which are required by the current role of the relevant person and would

contribute to the targets of the company. Mid-year and end-of-year performance evaluations are mutually negotiated and also shared with the human resources department.

Hence, our company features a fair performance evaluation system. The core values of Boyner Group, competencies key to the position, and work targets are evaluated by this system.

Employee representatives are taking part in the Occupational Health and Safety Committee acting to establish welfare and wellbeing of our employees. Employee representatives are assigned upon approval of our workers and they have full authority in bringing the complaints and suggestion of our employees to the attention of the Committee and in the formation of Committee resolutions.

Human resources processes over the Boyner Group involve studies to ensure standardization and productivity.

Occupational Health and Safety

Our Company offers a business and work environment that does not conflict with human dignity. We respect healthy life rights of the employees and thus necessary occupational health and safety measures are in place in all buildings and facilities.

Offering healthier and safer work environments to our employees is as important as assuring that our employees enjoy their works and their work environments. We support and encourage our employees to investment in themselves for their mental, physical, emotional and spiritual developments.

In addition to the trainings on Occupational Health and Safety, we keep our employees informed through the "handbook on pleasant and healthy working environment" to which they can refer for practical information. Details of the works performed in the field of Occupational Health and Safety are given in the sustainability chapter.

4.4. Ethical Principles and Social Responsibility

A management approach embracing all internal and external stakeholders is adopted for structuring corporate responsibility and sustainability business strategies and activities. The keys of our sustainability efforts are offering a work environment not conflicting with human dignity, embracing the principles of unconditional customer satisfaction while serving our customers, minimizing environmental impact of our production activities and operations and launching environment friendly practices, having social and environmental influence with our supply chain, launching community projects and assuring participation and contribution of our business partners.

"Boyner Group Work Principles" were converted into written form and is communicated to the Boyner

Group workers as a booklet. "Group Values and Working Principles" are also available for public access on Boyner Group website.

Council of Ethics

Each Boyner Group company as well as the Boyner Perakende ve Tekstil Yatırımları A.Ş has Councils of Ethics set up to analyze any warnings, complaints or denunciations related to violation of Boyner Group Work Principles or law and to make the necessary assessments.

In the case of any condition or event considered unethical, employees may raise a complaint before the council of ethics in their company informing about the situation. In an attempt to dissolve the condition, initially verification investigation shall be conducted. When verified, details of the internal inquisition shall be saved under the reporting system. In order to help the employees of Boyner Group companies notify any ethical issues or conditions, e-mail addresses were generated for each company's Council of Ethics creating a communication channel employees can use should they encounter any unethical conditions. The Council of Ethics carries out the analysis needed on those issues brought to its attention, and along with the verification attempts proposes various sanctions including dismissal in the event that violations are found. Issues which cannot be resolved by the concerned company's Council of Ethics can be settled by the Boyner Perakende Council of Ethics.

All applications elevated to the Boyner Perakende Council of Ethics in 2014 including those concerning the complaints raised by our employees pertaining to discrimination were finalized provided the required investigational and reporting studies. Council of Ethics has made decisions about the sanctions assessing what had been determined by reports of investigation.

Contribution to Society

We are cooperating with entities, institutions and establishments working for democratization and development of Turkey to launch projects aimed at contributing to the society. Since we adopt an approach embracing human rights, gender equality, environment and diversity, we cooperate with entities respecting the same values.

Our Company mainly supports and encourages activities aimed at improving socio-economic status of women, educating the youth, self-improvement and contribution to the democratization process, as well as culture-art events. Accordingly, we cooperate with non-governmental organizations to structure and launch our social responsibility projects, and we implement these projects through volunteer work of our employees and financial support offered by our companies. Details of projects related to the contribution to society are available in sustainability chapter of our annual report.

Environmental Awareness

Our Company minimizes the amount of raw materials and auxiliary products, energy and water, categorizes solid wastes and stores them at licensed sites for the purpose of minimizing negative environmental impact of our products and services.

We comply with national and international standards in terms of solid wastes, water, and air emissions produced after such processes. Our Company has been launching a number of projects in this respect, and our goal is to extend these successful practices to our other companies. Our environmental awareness is not a principle embraced on for our Company performance but it applies to the supply chain and we subject our suppliers to social compliance supervisions in order to monitor their energy, water and waste managements and regulatory compliance.

Solid wastes are sorted at our Company's headquarters and stores, and we work with certified companies for waste disposal. Our manufacturing plant within our subsidiary operates in an organized industrial zone. The municipality assists use for solid wastes and the water treatment facility at the organized industrial zone is used for waste water treatment. Details information about our environmental projects is available on sustainability chapter of our annual report.

Chapter V - Board of Directors

who are not employed in another administrative position of the company except for being a member of the Board of Directors.

Among the non-executive Board of Directors members, there shall be independent members with qualifications listed in the Corporate Governance Principles of the Capital Markets Board. Non-independent Board of Directors Members shall be elected for a minimum one year and maximum three years. Independent Board of Directors members shall be elected for terms of office of up to three years; they can be reelected upon nomination.

In the case, vacancy comes up for any reason before the term of office expires, other members, with the exception of Independent Board Members, shall be responsible for electing a new member for that vacancy. The new member shall officiate until the first meeting of the General Assembly. After his/her full membership is approved at the first the General Assembly Meeting, his/her term of office will be the same as that of the predecessor.

The General Assembly may at any time replace any of the Board Members if deemed necessary. The Board of Directors shall elect a Chairman and a Vice Chairman from among its members at the first meeting after the election.

As of 31.12.2014, details on our Board of Directors members and General Manager are as follows. The Board of Directors' Members is appointed for a period of three years under the resolution passed at the General Assembly Meeting dated March 28, 2013.

5.1. Structure and Composition of the Board of Directors

Members of the Board of Directors are divided into two, namely executive and nonexecutive members.

Members of the Board of Directors shall be divided into two categories; executive and non-executive members. The Company shall be represented and managed by the Board of Directors, composed of no less than five and no more than nine members and elected by the General Assembly of Shareholders.

The majority of Board of Directors shall be board members who do not have executive functions and

Name Surname	Title	Executive / Nonexecutive / Independent	Duties in Other Organizations
H. Cem Boyner	Chairman	Nonexecutive	Intra-group <ul style="list-style-type: none"> • Boyner Holding A.Ş.-Chairman of the Board and CEO • Boyner Büyük Mağazacılık A.Ş. - Chairman of the Board • Aymarka Mağ.- Chairman of the Board • Beymen Mağazacılık – Chairman of the Board • Altinyıldız Tekstil – Chairman of the Board • BYN Gayrimenkul – Chairman of the Board • BR Mağazacılık – Chairman of the Board • Board Presidency in other Group companies
Lerzan Boyner	Vice Chairman	Nonexecutive	Intra-group <ul style="list-style-type: none"> • Boyner Holding A.Ş.-Board Member • Aymarka Mağ.- Board Member • Board Memberships in other Group companies
N. Ümit Boyner	Member	Nonexecutive	Intra-group <ul style="list-style-type: none"> • Boyner Holding A.Ş.-Board Member • Boyner Büyük Mağazacılık A.Ş.- Board Member • Beymen Mağazacılık – Board Member • Altinyıldız Tekstil – Board Member • Board Memberships in other Group companies Non-group <ul style="list-style-type: none"> • Euler Hermes - Board Member • Unicredit SA - Advisory Board member

Name Surname	Title	Executive / Nonexecutive / Independent	Duties in Other Organizations
Nur Mehmet İnal*	Member/ General Manager	Executive	Intra-group <ul style="list-style-type: none"> • Boyner Holding A.Ş.- Vice President • Boyner Büyük Mağazacılık A.Ş.- Board Member • Aymarka Mağ.- Board Member • Beymen Mağazacılık – Board Member • Altinyıldız Tekstil – Board Member • BYN Gayrimenkul – Board Member • BR Mağazacılık – Board Members • Board Memberships in other Group companies
Tuncay Toros	Member	Executive	Intra-group <ul style="list-style-type: none"> • Boyner Holding A.Ş.- Vice President • Board Memberships in other Group companies Non-group <ul style="list-style-type: none"> • Formul Finansal Danışmanlık A.Ş.- Board Members
Serdar Sunay	Member	Executive	Intra-group <ul style="list-style-type: none"> • Boyner Holding A.Ş.- Vice President • Boyner Büyük Mağazacılık A.Ş.- Board Member • Aymarka Mağ.- Board Member • Beymen Mağazacılık – Board Member • Altinyıldız Tekstil – Board Member • BYN Gayrimenkul – Board Member • Board Memberships in other Group companies
Mustafa Türkay Tatar*	Member	Executive	Intra-group <ul style="list-style-type: none"> • Boyner Holding A.Ş.- Vice President • Boyner Büyük Mağazacılık A.Ş. - Head of Group • Aymarka Mağ.- Board Member • Altinyıldız Tekstil – Board Member • BYN Gayrimenkul – Coordinator of Finance • Board Memberships in other Group companies
Elif Ateş Özpak	Member	Nonexecutive / Independent	Non-group <ul style="list-style-type: none"> • Crescent Capital Advisory Limited- Co-fund man. • 11880 BN Telekom Haberleşme Ticaret A.Ş.-Vice Chairman of the Board • Doğa Çevre Teknolojileri ve Mamülleri Makina Sanayi ve Ticaret A.Ş.- Chairman of the Board • Kuzeykaya Elektrik Üretim A.Ş.- Board Member • Modern İş Sistemleri Ticaret A.Ş.- Board Member
Tayfun Bayazıt**	Member	Nonexecutive / Independent	Intra-group <ul style="list-style-type: none"> • Boyner Büyük Mağazacılık A.Ş.-Independent Board Member Non-group <ul style="list-style-type: none"> • Doğan Şirketler Grubu Holding A.Ş.-Independent Board Member • Migros Ticaret A.Ş.-Independent Board Member • TAV Havalimanları Holding A.Ş.-Independent Board Member • Board Membership in various unlisted companies

* Pursuant to the resolution of the Board of Directors dated January 9,2014 replacing the Board Members Zeki ÇAPUTLU and Mustafa Yavuz SÖKÜN, who have resigned, Nur Mehmet İNAL and Mustafa Türkay TATAR were elected as members of Board of Directors, and it is resolved to present this election to the General Assembly for approval as per TCC Article 363. At the Ordinary Assembly Meeting convened on March 27, 2014, the appointments made for Board of Directors' Memberships and the predecessors be in charge until the end of their duty period agreed.

** Mr. Fethi PEKİN, an Independent Board Member of our Company, has resigned as he has completed 6 years in this job and failed to meet the criteria set forth in compulsory Article 4.3.6. paragraph (g) of the Capital Markets Board's Corporate Governance Communiqué Nr. (II-17.1). On April 10, 2014, the Board of Directors agreed appointment of Mr. Tayfun BAYAZIT as a new independent member per TCC Article 363, subject to the approval of the shareholders in the first General Assembly Meeting to be held.

Tasks undertaken by Mr. Tayfun Bayazit outside the Boyner Group are listed herein below:

Tayfun Bayazit is a co-founder of Bayazit Yönetim Danışmanlık Hizmetleri Ltd. Şti. Mr. Bayazit is the Country Chairman of Marsh & McLennan Group Turkey; a board member of Marsh Sigorta ve Reasürans Brokerliği A.Ş., Marsh Italia SpA, Primist Gayrimenkul Geliştirme ve Yatırım AŞ, Beşiktaş Gayrimenkul Geliştirme San. Ve Tic. Ltd. Şti., Bomonti Gayrimenkul Pazarlama İnşaat ve San. Tic. A.Ş., Pulcra Chemicals and Embarq Turkey; the Chairman of Board in Taaleri Portföy Yönetimi AŞ; and at the same time, a Member of the Advisory Board in Taaleritehdas Asset Management Ltd. Finland. Moreover, he is a lecturer at Koc University.

In our company, separate individuals are charged as Chairman of Board and general manager/CEO. Attention is paid to ensure that Board Members are able to spare adequate time for Company affairs. There are, however, no restrictions to prevent their assignment in another task(s) outside our Company. Such a restriction is not deemed necessary, particularly taking into account that the work experience and field insight of independent members delivers an essential contribution to the Board of Directors.

Resolution of Board of Directors on April 28, 2014:

- Mustafa Türkay Tatar shall become Chief Financial Officer (CFO),
- Serdar Sunay shall be responsible for retail activities and investments,
- Tuncay Toros shall be responsible for legal and tax applications,

all and each acting as an executive board member.

As our Company was in the 3rd Group in 2014, two independent members are sufficient. In the Board of Directors, one independent and three total female members are assigned (33%).

Number of application(s) received by the Corporate Governance Committee, also acting as a Nomination Committee, for 2014 for 1 independent membership position is 1. Based on the evaluation of the candidacy statement and CV of the relevant person during the meetings of Corporate Governance Committee and Board of Directors dated March 5, 2015, their appointment as an independent member was done. On fiscal period of 2014, no circumstance to eliminate the independency has occurred.

Independency statements by our Independent Board members are given in the activity report under the section related to ordinary general assembly's agenda in 2014.

5.2. Operating Principles of the Board of Directors

The agenda of the meetings of Board of Directors is determined as follows: the relevant units notify the

matters to Company's senior management and Board members provided that it is explicitly mandated in Articles of Association of the Company that those matters should be resolved by a Board decision. The Board of Directors shall also meet as required by company activities upon a call from the Chairman or the Vice Chairman.

A written approval from other Board Members may suffice for the Board of Directors to pass resolutions on proposals brought by one of its members unless a member requests to discuss the matter.

Call to the meetings can be made over the phone and via e-mail.

The Board of Directors shall meet as frequently as required by company activities. The Board of Directors ended up with a total of 40 resolutions in 2014, three made in meetings about strategic issues. In general, all members attend the meetings. On fiscal period of 2014, no oppositions occurred. The questions arising during the meeting are not recorded. The Board Members have not been granted weighted voting rights and/or veto rights.

The Company has formed a secretariat to inform Board Members about internal services and to provide communication services.

Within 2014, any related party transactions or any significant transactions were not present which were not approved by the independent members and therefore were needed to be submitted for the approval of General Assembly. Boyner Holding A.Ş affiliates/ subsidiaries hold a "Director Liability Insurance" also assuring the Board Members and Senior Managers with a coverage of USD 50,000,000.-

5.3. Number, Structure and Independency of Committees Established by the Board of Directors

The Company has an Audit Committee, Corporate Governance Committee, and Early Risk Assessment Committee. The Corporate Governance Committee also functions as a Nomination Committee and Remuneration Committee.

Independent Board of Directors' Members acts as Committee Chairmen. The Operating Principles of the Committees are approved by the Board of Directors and published on our website.

Since our company is in the 3rd Group, it has two independent members, and thus our Board of Directors' Members officiate for more than one committee.

Board of Directors considers that the expected benefit was attained through the committee works.

The details of the Audit Committee Members are as follows. (Table 1)

Working principles of Audit Committee are declared on the company website. In 2014, the Audit Committee has submitted to Board of Directors its decisions in written about election of an independent auditor; its opinions regarding the correctness and compliance of annual and interim financial statements to the facts and to the accounting principles adopted by the partnership; and its additional time assessment dated 30.06.2014 for financial reports.

The details of the Corporate Governance Committee Members are as follows. (Table 2)

Working principles of the Corporate Governance Committee are declared on the company website. The committee reviews the corporate governance practices and Corporate Governance Principles Compliance Report and coordinates studies of investor relations department. Also functions as a Nomination Committee and Remuneration Committee.

The details of the Early Risk Assessment Committee Members are as follows. (Table 3)

Early Risk Assessment Committee works to ensure early detection of risks which may endanger the existence, development or future of the Company; to implement necessary precautions regarding the detected risks and to manage risks. Working principles of the Committee, which meets 6 times annually to make decisions, are declared on the company website.

Table 1

Name Surname	Title in the Committee	Education	Title in the Board of Directors
Tayfun Bayazit*	President	Bus. Adm.	Independent Member
Elif Ateş ÖZPAK	Member	Law	Independent Member

* On April 28, 2014, Independent Board Member Tayfun Bayazit was appointed as the Head of Auditing Committee.

Table 2

Name Surname	Title in the Committee	Education	Title in the Board of Directors
Elif Ateş Özpak	President	Law	Independent Member
Nazlı Ümit Boyner*	Member	Economy	Member
Taliye Yeşilürdü*	Member	Bus. Adm.	-

* On April 28, 2014, Nazlı Ümit Boyner and Taliye Yeşilürdü, manager of Investor Relations Department, were appointed as committee members of Corporate Governance Committee.

Table 3

Name Surname	Title in the Committee	Education	Title in the Board of Directors
Elif Ateş Özpak	President	Law	Independent Member
Lerzan Boyner*	Member	Bus. Adm.	Member

* On April 28, 2014, Lerzan Boyner was appointed as a committee member to Early Risk Assessment Committee.

5.4. Risk Management and Internal Control Mechanism

In order to protect the shareholders' rights and interests, suggestions are generated against the internal and external risks and the compliance of activities to the budget, regulations, procedures and instructions, laws, and generally accepted accounting principles is assessed and audited by the Company executives within their duties and responsibilities.

The audit and security of information technology systems are managed under ISO 27001 (International Information Security Management Systems).

All financial risks including liquidity, loan, exchange rate, and stock management risks are regularly monitored, and results are submitted to the Board of Directors. Configuration of an internal audit unit within the company has been completed, and it is functioning in coordination with the Group companies.

As a part of the efforts made for conducting a more systematic process of early determination of risks threatening the company, a risk department has been established at the Company for classifying risks, determining possibility and their impacts, actuality and monitoring risks on the basis of all group companies.

The Risk Department is ongoing with its efforts to establish a risk management system within the Group

companies. The Risk Department undertakes Risk Management and Reporting in coordination with other units and reports to CFO. Main risks faced by the Group are monitored under four major titles: financial risks, strategic risks, operational risks, and legal risks which are informed to Risk Management Committee and

Board of Directors at regular intervals. Details of risk management can be found in the dedicated chapter of the activity report.

5.5. Company's Strategic Goals

Our Company's strategic goals are determined by our Company's executives by considering the economic parameters, market and competition conditions and our Company's short- and long-term goals, and the goals are presented to the approval of the Board of Directors. These strategies and goals are reviewed and assessed by our Board of Directors.

The progress of these strategies and goals approved by the Board of Directors is further traced and comprehensibly reviewed in meetings of the Board of Directors held in each quarter within periods of time stipulated by the applicable laws. The approved yearly budget and its progress levels are reviewed and discussed in the meetings of the Board of Directors by considering the conditions in the market segment of our Company, the position of our Company in that sector, its performance during the period, financial standing and situation and its performances in the past.

Our Company's mission, vision, and growth, expansion strategies are reviewed and revised together with budget negotiations and discussions every year.

5.6. Financial Rights

The "Remuneration Policy for the Members of the Board of Directors and Senior Level Managers" of our Company covering all kind of rights, benefits, wages offered to the members of the Board of Directors and senior level managers in addition to the applicable criteria in determination of the same and basis of pricing was submitted for the examination of our shareholders on our website through the "Information Note" which was put online 3 weeks in advance of the Ordinary General Assembly dated March 27, 2014 and then put into practice following the General Assembly. The sum of payments made under the framework of Remuneration Policy for the Members of the Board of Directors and Senior Level Managers is evaluated by Corporate Governance Committee (Remuneration Committee).

Footnotes of our financial tables collectively inform the public about payments made to be Board of Directors Members and senior executives in parallel to the general practices. At the ordinary General Assembly meeting of our Company held on March 27, 2014, a monthly gross payment of TRY 7,500.- to the independent members of the Board of Directors has been decided.

Our Board of Directors Members or executives cannot borrow, obtain a loan from the company, a guarantee cannot be offered in favor of them or such other transactions which might cause conflict of interest are not allowed.

Dividend Distribution

DIVIDEND DISTRIBUTION POLICY

Our Company distributes profit as per the provisions of Turkish Commercial Code, Capital Markets legislation and Tax legislation, other related legislations as well as profit distribution article of the Articles of Association. As per the Corporate Governance Principles, a balance and consistent policy is embraced for the benefits of the shareholders and the Company; long term company strategy, investment and finance policies, profitability, and cash position are taken into consideration for determining the profit distribution amount.

As a principle, if the ratio of our consolidated equities to our total assets exceeds 30%, minimum 20% of the distributable period profit calculated as per the Capital Markets Legislation and other related legislations shall be paid by taking into consideration the matters mentioned above. As for bonus share distribution, there is no condition established for the ratio of our equities to our total assets, and there are no restrictions regarding the distribution ratio.

The goal is to distribute profit within maximum three months following the General Assembly Meeting, but the General Assembly decides the actual date of profit distribution. The General Assembly or, if authorized by the General Assembly, the Board of Directors might resolve to distribute dividends in installments, as allowed under the Capital Markets Legislations.

No dividend advance shall be distributed.

2014 DIVIDEND DISTRIBUTION PROPOSAL

The financial statements, issued for the period between January 1, 2014 and December 31, 2014 as per Capital Markets Board's Communiqué Nr. II.14.1 on Principles of Financial Reporting on Capital Markets and Turkish Accounting Standards/Turkish Financial Reporting Standards, which were subject to the audit of independent auditing company called Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. indicate that the loss amounts to TRY 225,956,139.- (net loss of period attributable to the parent partnership) also the legal, financial statements issued on the basis of Tax Procedural Law indicate that the loss amounts to TRY 189,501,590.30.-; thus it is resolved that the matter of not distributing dividends and adding TRY 189,501,590.30- to the previous year losses, and Dividends Distribution Table for 2014 shall be presented to the General Assembly for approval. Dividends Distribution Table for 2014 is given herein below.

BOYNER RETAIL AND TEXTILE INVESTMENTS DIVIDENDS DISTRIBUTION TABLE FOR 2014 (TL)

1	Paid / Issued Capital	40.000.000,00			
2	Legal Reserves (as stated in legal records)	31.307.168,01			
	If a privilege is set forth for distribution of profit in the articles of association, information about such privilege		NONE		
		According to the CMB	Based on Legal Records		
3	Profit/Loss of Period	(230.835.924)	(189.501.590,3)		
4	Taxes (-)	4.879.785			
5	Net Profit of Period (=)	(225.956.139)	(189.501.590,3)		
6	Losses From Previous Years (-)		(221.000.321,86)		
7	General Legal Reserves (-)				
8	NET DISTRIBUTABLE PROFIT/LOSS FOR THE PERIOD (=)	(225.956.139)	(410.501.912,16)		
9	Donations made within the year	629.154			
10	Net Distributable Profit of the Period Including Donations	(225.326.985)			
11	First Dividend to the Shareholders				
	Cash				
	Free of charge				
	Total				
12	Dividend Distributed to Privileged Shareholders				
13	Other Dividends Distributed				
	To Board of Directors				
	To the employees				
	To Entities Other Than Shareholders				
14	Dividend Distributed to Redeemed Shareholders				
15	Second Dividend to the Shareholders				
16	General Legal Reserves	-			
17	Statutory Reserves				
18	Special Reserves				
19	Extraordinary reserve	-			
20	Other Resources to be Distributed				
	INFORMATION REGARDING THE RATIO OF DISTRIBUTED DIVIDEND				
	DIVIDEND INFORMATION PER SHARE				
	GROUP	TOTAL DIVIDEND DISTRIBUTED (TRY)		TOTAL DIVIDEND DISTRIBUTED / NET DISTRIBUTABLE PROFIT FOR THE PERIOD	DIVIDEND CORRESPONDING TO A SHARE WITH A NOMINAL VALUE OF TRY1
		CASH (TRY)	FREE OF CHARGE (TRY)	PERCENT (%)	AMOUNT (TRY) PERCENT (%)
NET	A (*)				
	B				
	TOTAL	-	-	-	-

Risk Management and Internal Audit

The Group believes that increasing uncertainties/risks in the market segment of our Company also offers opportunities, and thus our Company sustains its success by turning the uncertainties into an opportunity. Risk management by effectively determining, assessing and managing risks enables eliminating/minimizing damages to be caused by such risks and assures sustainable growth. Since we are aware of the importance of risk management for assuring sustainable management and healthy growth, effective risk management approach is supported, and risks related to business process management are evaluated systematically. The Group shall continue to manage risks in the following process according to this approach as well as adding value to all shareholders.

A strong control mechanism, which supports management activities and determines ethical rules and general codes of conduct of the company, should be the basis of effective corporate governance. Risk management and internal audit functions are important and inseparable elements control environment. Risk driven activities and activities minimizing the impact of risks are the main elements of our audit approach.

Risk driven internal audit procedures of our company include the following elements:

- I. Foreseeing risks that might prevent realization of strategic business goals,
- II. Instituting-classification of listed, categorized and prioritized risks,
- III. Determining possibility and impacts of identified and classified risks,
- IV. Associating key business processes of the organization with strategic and process related risks,
- V. Planning updates and periodic changes required for revising the Internal Audit Plan as per ever-changing business risks.

Legal Disclosures

LEGAL DISCLOSURES

Trade Title	: Boyner Perakende ve Tekstil Yatırımları A.Ş.
Address	: Eski Büyükdere Cad. Park Plaza No:14 Kat:15-16 Maslak - Sarıyer / İSTANBUL
Trade Registry and Nr.	: Istanbul Trade Registry / 45451
Website Address	: www.boynerperakende.com, www.boynergrup.com
Registered Capital Cap	: 500,000,000 TL
Issued Capital	: 40,000,000 TL
BIST Code	: BOYP

Subsidiary Report

Pursuant to Article 199 of the Turkish Commercial Code No.6102 which came into force on July 1, 2012, the Board of Directors of Boyner Perakende ve Tekstil Yatırımları A.Ş. is liable within the first 3 months of the year of activity to issue a report on previous year's relations of the Company with the controlling shareholder, as well as subsidiaries of the controlling shareholder and annotate the conclusion part of that report in its activity report.

It is written in the Report prepared by the Board of Directors of Boyner Perakende ve Tekstil Yatırımları A.Ş. that "We have concluded that in all transactions of Boyner Perakende ve Tekstil Yatırımları A.Ş. with its controlling shareholder, as well as subsidiaries of the controlling shareholder throughout 2014, based on our best knowledge of conditions at the moment when the transaction was carried out or precaution was taken or taking a precaution was avoided, an appropriate counter-performance was gained per each transaction and there is no precaution which through its application or avoidance of application may result in loss of company, and therefore no transactions or precautions which entail an offset are existing".

Information about the lawsuits filed against the Company which might have an impact on the financial status and activities of the Company and their possible outcomes

There are no lawsuits which are filed against our Company and might have material negative impact on its financial position and activities. Notes on this issue are available on Footnote number 17 of our financial

statements for the period between January 1, 2014 and December 31, 2014.

Information about administrative or judicial sanctions imposed on the Company and members of managing bodies because of violating the legislation

There are no administrative or judicial sanctions imposed against the Company and members of managing bodies because of violating the legislation.

Notes regarding special auditing and public auditing within the accounting period.

Ordinary public audits were carried out within 2014, and no significant official notification was delivered to us.

Statement of Shareholder's Equity

As of December 31, 2014, shareholders' equity of TRY 133,829,600.- and issued capital of TRY 40,000,000.- is preserved.

Information on the company's own shares acquired by the company

In the fiscal period between January 1, 2014 and December 31, 2014 the company has no shares which it has acquired to own.

Information on the extraordinary general assembly meeting(s) held if any

No Extraordinary General Assembly was held during the year.

DONATIONS AND GRANTS

As per Article 6 of Capital Markets Board Communiqué Nr. II-19.1 on Dividend, the limit of donations should be determined by the General Assembly, unless otherwise is stated in the Articles of Association, and the donations, related payments made should be declared to the shareholders at the Ordinary General Assembly Meeting. The amount of donations made to associations and foundations in 2014 is TRY 629,154.-.

CAPITAL MARKET INSTRUMENTS ISSUED IN 2014

The information related to the debt instruments sold to domestic qualified investors within 2014

ISIN code of Debt Instrument	Date of Sale	Due Date	Issue Nominal Amount	Interest Rate	Call Date
Bond TRSALTN91529	March 31, 2014	546 days	30.000.000 TL	Floating (benchmark GDS + 5.0%) with quarterly coupon payment	September 28, 2015
Commercial Paper TRFBOYP91515	September 29, 2014	364 days	50.000.000 TL	Floating (benchmark Government Debt Securities/GDS + 4.15%) with quarterly coupon payment	September 28, 2015
Bond TRSBOYPK1610	November 28, 2014	728 days	50.000.000 TL	Floating (benchmark GDS + 4.50%) with quarterly coupon payment	November 25, 2016

Next, along with the resolution dated April 17, 2014 of our Company's Board of Directors, application was submitted to Capital Markets Board on April 22, 2014 in order to issue debt instruments up to a maximum amount of TRY 300,000,000.- (threehundredmillion), with a maturity up to 3 (three) years, in Turkish Liras, to be sold domestically at once or on multiple occasions without public offering but by means of reservation and/ or sales to qualified investors. Capital Markets Board positively replied our application regarding the issue of debt instruments and approved a debt instrument issue cap of TRY 300,000,000.- through issuance document dated 24.06.2014. Under the scope of the mentioned issue cap of TRY 300,000,000.- sales were performed on September 29, 2014 and November 28, 2014 details of which are indicated in the table above.

2014

Amendments to the Articles of Association

Amendments to the Articles of Association

At the Ordinary General Assembly Meeting of our Company dated March 27, 2014, in compliance with the version in the permission of Capital Markets Board nr. 623 dated 24.03.2014 and of Ministry of Customs and Trade nr.1780 dated 26.03.2014 the matter of amending following articles on the Company's Articles of Association; Article 2 "Trade Name," Article 4 "Company Headquarters," Article 5, Article 6 "Company Capital," Article 12 "Transfer of Shares," Article 21 "Duties of Auditors," Article 25 "Right to Vote," Article 32 "Distribution of Net Profit"; and also of deleting the following articles; Article 8 "Issuing Share Certificates," Article 10 "Form of Share Certificates and Ownership of Shares," Article 11 "Rights and Liabilities related to Owning a Share Certificate," Article 13 "Increasing and Reducing Capital," Article 31 "Determination of Net Profit," Article 33 "Dividend Distribution," Article 34 "Legal Reserves," Article 37 "Board of Directors Members" and Article 38 "Auditors," were put to vote and the corresponding Amendments to the Articles of Association were accepted.

Amendments to the Articles of Association were actualized for the purpose of compliance with the provisions of Turkish Commercial Code numbered 6102 and Capital Markets Law No:6362; shifting back to registered capital system; increasing the registered capital cap of the Company from TRY 40,000,000.- to TRY 500,000,000 to be effective until the end of 2018; and reflecting all of our fields of activity and actual lines of business in our trade title (former trade title of our Company used to be Altinyıldız Mensucat ve Konfeksiyon Fabrikaları Anonim Şirketi which was changed into "Boyner Perakende ve Tekstil Yatırımları Anonim Şirketi")

The resolutions by the General Assembly (except for the Agenda point 9) and amendments to the articles of association were registered on April 10, 2014 and announced by the Turkish Trade Registry Gazette number 8551 dated April 16, 2014.



*2014 ordinary general
assembly agenda*



2014

2014 Ordinary General Assembly Agenda

2014 Ordinary General Assembly Agenda

- 1) Opening and Selection of Chairmanship Committee
- 2) Reading, discussing and Approval of 2014 Board of Directors' Annual Report,
- 3) Reading of Summary of Independent Auditor's Report for 2014 accounting year,
- 4) Reading, discussing and approval of financial statements for 2014 accounting year,
- 5) Discussions on releasing the Board of Directors Chairman and Members individually from 2014 accounts and activities,
- 6) Discussion and resolution of the proposal of the Board of Directors about the distribution of profit regarding 2014 accounting year,
- 7) Approval of assignments for Board Members in accordance with Article 363 of Turkish Commercial Code and selection of Independent Board Members,
- 8) Informing the Shareholders about the "Remuneration Policy" applicable to the Board of Directors Members and executives with administrative responsibilities and about the payments to be made under the scope of this policy and their approval,
- 9) Determination of monthly gross salaries of Board Members
- 10) Approval of selection of Independent Auditing Company by Board or Directors in accordance with TCC and CMB regulations,
- 11) Informing the shareholders about 2014 donations and charities and determining the maximum limit of 2015 donations and charities,
- 12) Informing the shareholders about the guarantee, pledges, mortgage and securities given by the Company in favor of the 3rd parties as well as revenues or benefits earned, as required by CMB regulations.
- 13) Authorizing the stakeholders with the authority to manage, Board Members, senior managers and their spouses and immediate relatives regarding the transactions listed on Articles 395 and 396 of the Turkish Commercial Code and informing stakeholders about the transactions performed in this context during 2014 in accordance with the Capital Markets Board's "Corporate Governance" Communique.
- 14) Expectations and Suggestions

Place of Meeting : Büyükdere Caddesi USO Center Binası No: 245/A KAT: B01-Z02 Maslak Şişli İstanbul
Date of Meeting : Thursday, April 02, 2015
Meeting at 12:00 PM

Resumes and Statements of Independent Member Candidates for 2014 Ordinary General Assembly Meeting

TAYFUN BAYAZIT

Mr. Bayazit started his banking career at Citibank after majoring in Mechanical Engineering at the University of Southern Illinois and receiving an MBA degree from Columbia University specializing in Finance and International Relations. He worked as a senior executive in Çukurova Group for 13 years. He became CEO of Dışbank in 2001. He was appointed to CEO of Fortis Turkey and Global Management Committee in 2005. In April 2007, he returned to Yapı Kredi as the Executive Director and General Manager and also he became the Board of Directors Chairman of Koç Holding Banking and Insurance Group and Yapı Kredi at the beginning of 2009. Tayfun Bayazit founded "Bayazit Danışmanlık Hizmetleri" in August 2011 and were an independent board member at Boyner Perakende ve Tekstil Yatırımları A.Ş. and Boyner Büyük Mağazacılık A.Ş. since 2014. The acting Vice President of TUSIAD's (Turkish Industry and Business Association) Board of Directors, Mr. Bayazit also takes an active role in a number of non-governmental organizations.

Other Duties

Tayfun Bayazit is the founding partner of Bayazit Yönetim Danışmanlık Hizmetleri Ltd. Şti. He is also independent board member in Doğan Şirketler Grubu Holding, A.Ş., Migros Ticaret A.Ş., and TAV Havalimanları Holding A.Ş. Mr. Bayazit is also Country Chairman of Marsh & McLennan Group Turkey, board members in Marsh Sigorta ve Reasürans Brokerliği A.Ş., Marsh Italia ŞpA, Primist Gayrimenkul Geliştirme ve Yatırım AŞ, Beşiktaş Gayrimenkul Geliştirme San. Ve Tic. Ltd. Şti., Bomonti Gayrimenkul Pazarlama İnşaat ve San. Tic. A.Ş., Pulcra Chemicals ve Embarq Turkey and Chairman of Taaleri Portföy Yönetimi AŞ, as well as a member of Advisory Board of Taaleritehdas Asset Management Ltd. Finland. He is also an academic in Koç University.

BAĞIMSIZLIK BEYANI

Altınyıldız Mensucat ve Konfeksiyon Fabrikaları A.Ş. (Şirket) Yönetim Kurulu'nda, mevzuat, esas sözleşme ve Sermaye Piyasası Kurulu'nun "Kurumsal Yönetim İlkeleri Tebliği"nde belirlenen kriterler kapsamında "bağımsız üye" olarak görev yapmaya aday olduğumu, bu kapsamda;

- Şirket, şirketin yönetim kontrolü ya da önemli derecede etki sahibi olduğu ortaklıklar ile şirketin yönetim kontrolünü elinde bulunduran veya şirkette önemli derecede etki sahibi olan ortaklar ve bu ortakların yönetim kontrolüne sahip olduğu tüzel kişiler ile kendisi, eşi ve ikinci dereceye kadar kan ve sıhrî hısımları arasında; son beş yıl içinde önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda istihdam ilişkimin bulunmadığını, sermaye veya oy haklarının veya imtiyazlı payların %5 inden fazlasına birlikte veya tek başına sahip olmadığımı ya da önemli nitelikte ticari ilişki kurmadığımı,
- Son beş yıl içerisinde, başta şirketin denetimi (vergi denetimi, kanuni denetim, iç denetim de dahil), derecelendirilmesi ve danışmanlığı olmak üzere, yapılan anlaşmalar çerçevesinde şirketin önemli ölçüde hizmet veya ürün satın aldığı veya sattığı şirketlerde, hizmet veya ürün satın alındığı veya satıldığı dönemlerde, ortak (%5 ve üzeri), önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda çalışan veya yönetim kurulu üyesi olmadığımı,
- Bağımsız yönetim kurulu üyesi olmam sebebiyle üstleneceğim görevleri gereği gibi yerine getirecek mesleki eğitim, bilgi ve tecrübeye sahip olduğumu,
- Mevzuata uygun olması şartıyla, üniversite öğretim üyeliği hariç, üye olarak seçildikten sonra kamu kurum ve kuruluşlarında tam zamanlı çalışmayacağımı,
- 31/12/1960 tarihli ve 193 sayılı Gelir Vergisi Kanunu (G.V.K.)'na göre Türkiye'de yerleşmiş sayıldığımı,
- Şirket faaliyetlerine olumlu katkılarda bulunabilecek, şirket ile pay sahipleri arasındaki çıkar çatışmalarında tarafsızlığını koruyabilecek, menfaat sahiplerinin haklarını dikkate alarak özgürce karar verebilecek güçlü etik standartlara, mesleki itibara ve tecrübeye sahip olduğumu,
- Şirket faaliyetlerinin işleyişini takip edebilecek ve üstlendiği görevlerin gereklerini tam olarak yerine getirebilecek ölçüde şirket işlerine zaman ayırabileceğimi olduğumu,
- Şirketin yönetim kurulunda son on yıl içerisinde altı yıldan fazla yönetim kurulu üyeliği yapmamış olduğumu,
- Şirketin veya şirketin yönetim kontrolünü elinde bulunduran ortakların yönetim kontrolüne sahip olduğu şirketlerin üçten fazlasında ve toplamda borsada işlem gören şirketlerin beşten fazlasında bağımsız yönetim kurulu üyesi olarak görev almıyor olduğumu,
- Yönetim kurulu üyesi olarak seçileceğim tüzel kişi adına tescil ve ilan edilmemiş olduğumu,

beyan ederim.

ADI SOYADI: Tayfun BAYAZIT

İMZASI

S. METİN AR

He graduated from Boğaziçi University Electrical Engineering Department after Robert College. He completed his master's degree in London School of Economics. S.Metin Ar has started his career in Otis Elevator Company Ltd. in England as a project analyst and worked in various positions in Türkiye Sinai Kalkınma Bankası, Then he worked as Vice President in Brisa Bridgestone Sabancı Lastik San. Tic. A.Ş., and board members in İş Finansal Kiralama A.Ş., Yatırım Finansman Menkul Değerler A.Ş. Türk Pirelli Kablo ve Sistemleri A.Ş. and Çimento İzmir Çimento Fabrikası Türk A.Ş. He also served as Vice President of İstanbul Menkul Kıymetler Borsası during 2003-2005, CEO of Garanti Yatırım Menkul Kıymetler A.Ş. during 1999-2013. During 2012-2014, S.Metin Ar has worked as Chairman of Dream.

Other Duties

S. Metin Ar is the independent member board of Borusan Yatırım ve Pazarlama A.Ş. He is also working as CEO of Türk Pirelli, Vice President of Canyon Venture Partners International Financial Advisors and Turkmen Holding A.Ş., and board member of Doğu Turizm and Columbia Hudson Ventures L.L.C (Oregon/USA).

BAĞIMSIZLIK BEYANI

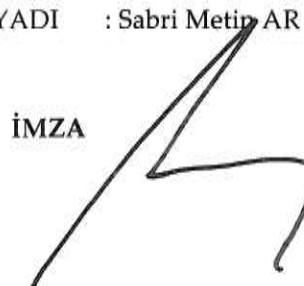
Boyner Perakende ve Tekstil Yatırımları A.Ş. (Şirket) Yönetim Kurulu'nda, mevzuat, esas sözleşme ve Sermaye Piyasası Kurulu'nun "Kurumsal Yönetim İlkeleri Tebliği"nde belirlenen kriterler kapsamında "bağımsız üye" olarak görev yapmaya aday olduğumu, bu kapsamda;

- Şirket, şirketin yönetim kontrolü ya da önemli derecede etki sahibi olduğu ortaklıklar ile şirketin yönetim kontrolünü elinde bulunduran veya şirkette önemli derecede etki sahibi olan ortaklar ve bu ortakların yönetim kontrolüne sahip olduğu tüzel kişiler ile kendisi, eşi ve ikinci dereceye kadar kan ve sıhrî hısımları arasında; son beş yıl içinde önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda istihdam ilişkimin bulunmadığını, sermaye veya oy haklarının veya imtiyazlı payların %5 inden fazlasına birlikte veya tek başına sahip olmadığımı ya da önemli nitelikte ticari ilişki kurmadığımı,
- Son beş yıl içerisinde, başta şirketin denetimi (vergi denetimi, kanuni denetim, iç denetim de dahil), derecelendirilmesi ve danışmanlığı olmak üzere, yapılan anlaşmalar çerçevesinde şirketin önemli ölçüde hizmet veya ürün satın aldığı veya sattığı şirketlerde, hizmet veya ürün satın alındığı veya satıldığı dönemlerde, ortak (%5 ve üzeri), önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda çalışan veya yönetim kurulu üyesi olmadığımı,
- Bağımsız yönetim kurulu üyesi olmam sebebiyle üstleneceğim görevleri gereği gibi yerine getirecek mesleki eğitim, bilgi ve tecrübeye sahip olduğumu,
- Mevzuata uygun olması şartıyla, üniversite öğretim üyeliği hariç, üye olarak seçildikten sonra kamu kurum ve kuruluşlarında tam zamanlı çalışmayacağımı,
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- Şirket faaliyetlerine olumlu katkılarda bulunabilecek, şirket ile pay sahipleri arasındaki çıkar çatışmalarında tarafsızlığını koruyabilecek, menfaat sahiplerinin haklarını dikkate alarak özgürce karar verebilecek güçlü etik standartlara, mesleki itibara ve tecrübeye sahip olduğumu,
- Şirket faaliyetlerinin işleyişini takip edebilecek ve üstlendiği görevlerin gereklerini tam olarak yerine getirebilecek ölçüde şirket işlerine zaman ayırabileceğimi,
- Şirketin yönetim kurulunda son on yıl içerisinde altı yıldan fazla yönetim kurulu üyeliği yapmamış olduğumu,
- Şirketin veya şirketin yönetim kontrolünü elinde bulunduran ortakların yönetim kontrolüne sahip olduğu şirketlerin üçten fazlasında ve toplamda borsada işlem gören şirketlerin beşten fazlasında bağımsız yönetim kurulu üyesi olarak görev almıyor olduğumu,
- Yönetim kurulu üyesi olarak seçileceğim tüzel kişi adına tescil ve ilan edilmemiş olduğumu,

beyan ederim.

ADI SOYADI : Sabri Metin AR

İMZA



BAĞIMSIZLIK BEYANI

Boyner Perakende ve Tekstil Yatırımları A.Ş. (Şirket) Yönetim Kurulu'nda, mevzuat, esas sözleşme ve Sermaye Piyasası Kurulu'nun "Kurumsal Yönetim İlkeleri Tebliği"nde belirlenen kriterler kapsamında "bağımsız üye" olarak görev yapmaya aday olduğumu, bu kapsamda;

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- Son beş yıl içerisinde, başta şirketin denetimi (vergi denetimi, kanuni denetim, iç denetim de dahil), derecelendirilmesi ve danışmanlığı olmak üzere, yapılan anlaşmalar çerçevesinde şirketin önemli ölçüde hizmet veya ürün satın aldığı veya sattığı şirketlerde, hizmet veya ürün satın alındığı veya satıldığı dönemlerde, ortak (%5 ve üzeri), önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda çalışan veya yönetim kurulu üyesi olmadığımı,
- Bağımsız yönetim kurulu üyesi olmam sebebiyle üstleneceğim görevleri gereği gibi yerine getirecek mesleki eğitim, bilgi ve tecrübeye sahip olduğumu,
- Mevzuata uygun olması şartıyla, üniversite öğretim üyeliği hariç, üye olarak seçildikten sonra kamu kurum ve kuruluşlarında tam zamanlı çalışmayacağımı,
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- Şirket faaliyetlerine olumlu katkılarda bulunabilecek, şirket ile pay sahipleri arasındaki çıkar çatışmalarında tarafsızlığını koruyabilecek, menfaat sahiplerinin haklarını dikkate alarak özgürce karar verebilecek güçlü etik standartlara, mesleki itibara ve tecrübeye sahip olduğumu,
- Şirket faaliyetlerinin işleyişini takip edebilecek ve üstlendiği görevlerin gereklerini tam olarak yerine getirebilecek ölçüde şirket işlerine zaman ayırabileceğimi,
- Şirketin yönetim kurulunda son on yıl içerisinde altı yıldan fazla yönetim kurulu üyeliği yapmamış olduğumu,
- Şirketin veya şirketin yönetim kontrolünü elinde bulunduran ortakların yönetim kontrolüne sahip olduğu şirketlerin üçten fazlasında ve toplamda borsada işlem gören şirketlerin beşten fazlasında bağımsız yönetim kurulu üyesi olarak görev almıyor olduğumu,
- Yönetim kurulu üyesi olarak seçileceğim tüzel kişi adına tescil ve ilan edilmemiş olduğumu,

beyan ederim.

ADI SOYADI : ELİP ATEŞ ÖZPAK

TC KİMLİK NO :

İMZA



Remuneration Policy for Board Members and Senior Executives

This policy document defines remuneration system and practices for Board Members and Senior Managers who have administrative responsibility within CMB regulations.

In all of our Human Resources policies and practices such as recruitment, promotion, transfer, rotation and remuneration, we embrace an equitable approach and categorically reject all discrimination based on language, race, skin color, gender, political orientation, belief, religion, denomination, age, physical disability and the like. This principle covers Senior Management as well.

While determining wages, market conditions of the sectors which the Company operates as well as roles of related functions in a competitive manner are considered. This information is gathered by annual independent wage surveys.

A fixed wage, which is determined at the ordinary general assembly meeting each year, is paid to Independent Board Members. Company performance based payment plans are not considered in determining the wage of Board Members.

The wages of Executive Board Members are paid within the policy determined for senior managers which are detailed below.

Expenditures (transportation, telephone, insurance, expenditures) incurred by the Board Members in order to contribute to the company may be covered by the company.

Remuneration of Senior Managers include fixed and monetary and non-monetary payments, which are based on performance. Senior Management fixed wages, specified depending on the field of responsibility within the company, are determined according to the international standards and legal liabilities considering macroeconomic data, current wage levels in the market, size of the company and long-term objectives.

Senior Management bonuses are calculated according to the performance of the company and the individual. Information regarding the criteria is summarized as follows:

Company Performance: Company performance is obtained by measuring the financial and operational objectives (market share, exportation, international activities, efficiency, etc.) at the end of the term which is determined at the beginning of the year. While determining company objectives, sustainable success and improvements, when compared to the previous years, are taken into consideration.

Individual Performance: While determining individual performance, employee, customer, process, technology and long-term strategy objectives are taken into consideration as well as company objectives. In parallel with the company performance, while measuring individual performance, long term sustainable improvement principle is pursued besides financial areas.



independent auditor's report



**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ON THE BOARD OF DIRECTORS' ANNUAL REPORT
ORIGINALLY ISSUED IN TURKISH**

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

Auditor's Report on the Board of Directors' Annual Report

1. We have audited the annual report of Boyner Perakende ve Tekstil Yatırımları A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") for the period ended 31 December 2014.

Board of Directors' responsibility for the Annual Report

2. The Group's management is responsible for the fair preparation of the annual report and its consistency with the consolidated financial statements in accordance with Article 514 of Turkish Commercial Code ("TCC") No. 6102 and Capital Markets Board's ("CMB") Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") and for such internal control as management determines is necessary to enable the preparation of the annual report.

Independent Auditor's Responsibility

3. Our responsibility is to express an opinion on the Group's annual report based on the independent audit conducted pursuant to Article 397 of TCC and the Communiqué, whether or not the financial information included in this annual report is consistent with the Group's consolidated financial statements that are subject to independent auditor's report dated 5 March.2015 and presented fairly.

Our independent audit was conducted in accordance with Independent Auditing Standards that are part of the Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority. Those standards require that ethical requirements are complied with and that the independent audit is planned and performed to obtain reasonable assurance whether the financial information in the annual report is fairly presented and consistent with the consolidated financial statements.

An independent audit requires applying audit procedures to obtain audit evidence on the historical financial information. The procedures selected depend on the professional judgement of the independent auditor.

We believe that the independent audit evidences we have obtained during our independent audit, are sufficient and appropriate to provide a basis for our opinion.

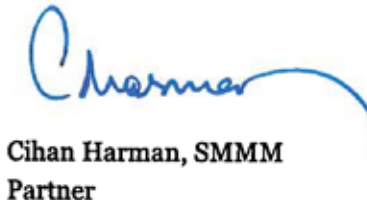
Opinion

4. Based on our opinion, the financial information in the annual report of Board of Directors is consistent with the audited consolidated financial statements and presented fairly, in all material respects.

Other Responsibilities Arising From Regulatory Requirements

5. Pursuant to subparagraph 3 of Article 402 of the TCC No. 6102, within the context of ISA 570 "Going Concern", we have not encountered any significant issue which we are required to be reported with regard to the inability of the Group to continue its operations for the foreseeable future.

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



Cihan Harman, SMMM
Partner

Istanbul, 11 March 2015



*consolidated financial charts and
independent auditor report*



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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Consolidated Financial Statements

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

Management's Responsibility for the Consolidated Financial Statements

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

Independent Auditor's Responsibility

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

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

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

Basis for Qualified Opinion

4. As disclosed in Note 6, the Group's associate, Nile Bosphorus Retail and Trading Company ("Nile Bosphorus") which is required to be accounted for by using the equity method, is carried at cost at the amount of TRY 5.472.508 in the accompanying consolidated financial statements since the associate did not prepare its financial statements in accordance with Turkish Accounting Standards. As of 31 December 2014 considering the uncertainty in Egypt's economical and political environment we could not ensure ourselves regarding the recoverability of the carrying amount of Nile Bosphorus and the receivables from Nile Bosphorus amounting to TRY 3.252.007.

Qualified Opinion

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

Other Responsibilities Arising From Regulatory Requirements

6. In accordance with subparagraph 4 of Article 398 of the Turkish Commercial Code ("TCC") No: 6102; auditor's report on the early risk identification system and committee has been submitted to the Company's Board of Directors on 5 March 2015.
7. In accordance with subparagraph 4 of Article 402 of the TCC; no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2014 is not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.
8. In accordance with subparagraph 4 of Article 402 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

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



Cihan Harman, SMMM
Partner

Istanbul, 5 March 2015

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

BOYNER PERAKENDE VE TEKSTİL YATIRIMLARI A.Ş.
(Formerly ALTINYILDIZ MENSUCAT VE KONFEKSİYON FABRİKALARI A.Ş.)

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

	Notes	Audited 31 December 2014	Restated Audited 31 December 2013
ASSETS			
Current Assets		1.802.361.182	1.630.693.677
Cash and cash equivalents	5	317.079.148	289.556.875
Trade receivables	10	390.513.668	378.482.245
- Trade receivables from related parties	10 and 31	55.781.340	38.710.794
- Trade receivables from third parties	10	334.732.328	339.771.451
Other receivables	11	87.716.893	44.571.064
- Other receivables from related parties	11 and 31	85.685.494	37.428.301
- Other receivables from third parties	11	2.031.399	7.142.763
Inventories	12	905.705.640	814.280.963
Prepaid expenses	13	19.478.987	27.631.057
Derivative instruments	8	1.683.738	-
Other current assets	20	80.183.108	76.171.473
Non-current assets		2.260.488.411	2.272.340.911
Financial investments	6	104.891	121.284
Trade receivables	10	11.840.010	13.353.049
- Trade receivables from related parties	10 and 31	3.252.007	2.993.125
- Trade receivables from third parties	10	8.588.003	10.359.924
Other receivables	11	1.622.518	1.479.303
- Other receivables from third parties	11	1.622.518	1.479.303
Investments accounted for using the equity method	6	13.662.699	12.141.961
Investment properties	14	138.886.740	121.350.000
Property, plant and equipment	15	273.186.610	269.256.111
Intangible assets		1.772.003.962	1.819.374.956
- Goodwill	3	796.129.432	796.129.432
- Other intangible assets	16	975.874.530	1.023.245.524
Prepaid expenses	13	4.150.627	847.324
Deferred tax assets	29	20.780.265	25.021.839
Derivative instruments	8	3.248.768	-
Other non-current assets	20	21.001.321	9.395.084
TOTAL ASSETS		4.062.849.593	3.903.034.588

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

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

	Notes	Audited 31 December 2014	Restated Audited 31 December 2013
LIABILITIES			
Current liabilities		3.129.376.005	2.181.439.576
Short-term financial liabilities	7	438.870.033	528.033.425
Current portion of long-term financial liabilities	7	576.464.279	390.944.712
Other financial liabilities	9	109.628.739	58.629.605
Trade payables	10	1.009.860.681	919.037.377
- Trade payables to related parties	10 and 31	11.302.260	50.347.023
- Trade payables to third parties	10	998.558.421	868.690.354
Payables related to employee benefits	19	20.615.929	17.980.710
Other payables	11	836.782.842	129.745.739
- Other payables to related parties	11 and 31	31.534.946	41.349.748
- Other payables to third parties	11	805.247.896	88.395.991
Deferred revenue	13	98.735.800	98.922.159
Corporate tax payable	29	2.198.101	6.827.836
Short term provisions		23.544.105	22.433.341
- Short term provisions for employee benefits	17	12.226.042	10.894.799
- Other short term provisions	17	11.318.063	11.538.542
Other current liabilities	20	12.675.496	8.884.672
Non-current liabilities		799.643.988	1.360.095.219
Long term financial liabilities	7	508.466.993	376.561.976
Trade payables	11	45.466.243	732.289.853
- Trade payables to third parties	11	45.466.243	732.289.853
Long term provisions		24.318.778	21.536.781
- Long term provisions for employee benefits	19	24.318.778	21.536.781
Deferred revenue	13	15.907.210	12.449.262
Deferred tax liability	29	205.484.764	217.257.347
EQUITY		133.829.600	361.499.793
Equity attributable to parent		121.030.239	348.767.251
Paid-in share capital	21	40.000.000	40.000.000
Adjustments to share capital	21	56.061.369	56.061.369
Other comprehensive income/expense not to be reclassified to profit or loss		7.018.909	17.662.801
- Gain on revaluation and re-measurement	21	20.566.110	29.805.030
- Other funds		36.560	36.560
- Actuarial loss arising from employee benefits		(13.583.761)	(12.178.789)
Other comprehensive income/expense to be reclassified to profit or loss		(1.310.987)	(935.086)
- Currency translation differences		(1.310.987)	(935.086)
Impact of business combinations of entities under common control	21	(307.876.666)	(307.876.666)
Restricted reserves	21	33.451.107	33.451.107
Retained earnings		519.642.646	82.367.106
Net (loss)/profit for the year		(225.956.139)	428.036.620
Non-controlling interest		12.799.361	12.732.542
TOTAL LIABILITIES		4.062.849.593	3.903.034.588

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

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

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

Boyer Perakende acquired the 50,01% shares of Beymen Mağazacılık A.Ş. and 30,05% shares of Boyner Büyük Mağazacılık A.Ş. owned by Fennella Sarl on 31 May 2013. The acquirer remeasures the fair value of the previously held equity interest in the acquire at the acquisition date and the gain and loss on the previously held equity interest if any is recognized in the statement of profit or loss in the step acquisitions. The fair value increase amounting to TRY 625.612.315 related to this transaction has been recognized as "fair value gain of the previously held interest in the acquiree" (Note 3 and 26).

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

	Paid in share capital	Adjustments to share capital	Currency translation differences	Revaluation reserve of property plant and equipment	Actuarial (loss)/gain	Income tax	Retained earnings	Net income / loss for the period	Equity attributable to parent	Non-controlling interest	Total equity
Balance at 1 January 2013 (*)	40.000.000	56.061.369	(425.270)	74.881.785	(8.944.772)	(1.936.404)	98.821.488	(61.531.137)	(8.514.286)	5.065.894	(3.448.392)
Transfers	-	-	-	-	(3.234.017)	435.514	(61.531.137)	61.531.137	-	-	-
Total comprehensive income	-	-	(509.816)	-	-	-	-	428.036.620	424.728.301	686.820	425.415.121
Revaluation reserve of property, plant and equipment (Note 20)	-	-	-	(45.076.755)	-	-	45.076.755	-	-	-	-
Transactions with non-controlling interest Acquisition of AYTK (Note 21)	-	-	-	-	-	(12.105.679)	-	(12.105.679)	(12.105.679)	(7.992.104)	(20.097.783)
Transactions with non-controlling interest acquisition of YKM (Note 21)	-	-	-	-	-	(56.878.535)	-	(56.878.535)	(56.878.535)	(15.170.741)	(72.049.276)
Non-controlling interests arising on business combinations	-	-	-	-	-	1.537.450	-	-	1.537.450	30.142.673	31.680.123
Balance at 31 December 2013	40.000.000	56.061.369	(935.086)	29.805.030	(12.178.789)	36.560	82.367.106	428.036.620	348.767.251	12.732.542	361.499.793
Balance at 1 January 2014	40.000.000	56.061.369	(935.086)	29.805.030	(12.178.789)	36.560	82.367.106	428.036.620	348.767.251	12.732.542	361.499.793
Transfers	-	-	(375.901)	-	(1.404.972)	-	428.036.620	(428.036.620)	-	-	-
Total comprehensive income	-	-	-	(9.238.920)	-	-	-	(225.956.139)	(227.737.012)	66.819	(227.670.193)
Revaluation reserve of property, plant and equipment (Note 20)	-	-	-	-	-	-	9.238.920	-	-	-	-
Balance at 31 December 2014	40.000.000	56.061.369	(1.310.987)	20.566.110	(13.583.761)	36.560	519.642.646	(225.956.139)	121.030.239	12.799.361	133.829.600

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

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

	Notes	Audited 1 January - 31 December 2014	Audited 1 January - 31 December 2013
A. CASH FLOWS FROM OPERATING ACTIVITIES		70.825.236	233.127.964
Net (Loss)/Profit for the period from continuing operations		(225.889.320)	428.592.842
Adjustments to reconcile (loss)/profit for the period		399.522.836	(344.845.099)
Depreciation and amortization	15,16 and 24	110.201.797	64.771.971
Provision for doubtful receivables	10	1.122.412	1.120.944
Provision for employment termination benefits	19	6.765.779	2.325.710
Provision for impairment of inventories	12	4.114.746	3.206.706
Adjustments related to interest income		(10.401.222)	(16.093.842)
Adjustments related to interest expenses		215.827.150	121.165.724
Changes in fair value of previously held equity interests	26	-	(625.612.315)
Provision for unused vacation rights	17	1.331.243	4.794.895
Provision for litigation	17	1.513.902	983.578
Provision for sales returns	17	7.998.541	-
Other short-term provisions	17	51.578	-
Change in the fair value of investment properties	25	(6.760.714)	(9.452.300)
(Gain)/loss on sale of tangible and intangible assets	26	2.031.153	2.104.492
Share of profit of investments accounted for using the equity method	6	(2.115.938)	(1.545.589)
Expenses related to closed stores	25	284.015	3.570.355
Unearned finance expense		2.079.346	20.707.992
Change in the contingent consideration arising from acquisition of subsidiary	25	-	(12.446.229)
Loss on sale of non-current assets held for sale	26	-	90.000
Adjustments related to tax income/(loss)	29	4.879.785	5.048.097
Fair value adjustment of derivative financial instruments	8	(4.932.506)	-
Unrealized foreign currency (gain)/loss		65.531.769	90.414.712
Changes in net working capital		(102.808.280)	149.380.221
Change in inventories		(95.539.423)	570.754
Change in trade receivables and other receivables		52.022.729	(20.570.290)
Change in trade receivables and other receivables due from related parties		(64.380.099)	58.689.917
Change in prepaid expenses		4.848.767	(1.840.394)
Change in other current and non-current assets		(15.617.872)	(464.949)
Change in deferred revenue		3.271.588	(60.245.238)
Change in liabilities related to employee benefits		2.635.219	(1.240.771)
Change in trade payables and other payables		90.276.801	314.164.756
Transfers to investment property from inventories	14	(10.736.740)	-
Change in trade payables and other payables due to related parties		(48.628.853)	(120.925.121)
Change in other liabilities		3.790.824	(8.550.316)
Litigation provisions paid	17	(1.744.044)	(128.100)
Other provisions paid	17	(9.457)	(118.720)
Employee termination benefits paid	19	(8.498.225)	(5.355.393)
Taxes paid	29	(16.689.287)	(9.458.397)
Proceeds from doubtful receivables	10	2.189.792	4.852.483

	Notes	Audited 1 January - 31 December 2014	Audited 1 January - 31 December 2013
B. CASH FLOWS FROM INVESTING ACTIVITIES		(68.520.556)	(187.842.963)
Cash change from the acquisition of shares in other entities or funds or debt instruments	3	-	(91.832.671)
Purchases of property, equipment and intangible assets	15, 16	(70.471.041)	(76.553.551)
Sale of tangible and intangible assets		1.394.571	-
Proceeds from disposal of non-current assets held for sale		-	339.974
Income from associates accounted for using the equity method	6	595.200	396.768
Purchase of investment properties	14	(39.286)	(95.700)
Payment to non-controlling interest for the acquisition of AYTK shares	3	-	(20.097.783)
C. CASH FLOWS FROM FINANCING ACTIVITIES		25.593.494	209.077.385
Interest paid		(213.068.922)	(131.547.048)
Other interest income and commissions		10.401.221	3.205.145
Cash inflows from bank borrowings		228.261.195	337.419.288
NET INCREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF CURRENCY TRANSLATION DIFFERENCES (A+B+C)		27.898.174	254.362.386
D. EFFECTS OF CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS		(375.901)	(509.816)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		27.522.273	253.852.570
RESTRICTED CASH	5	(6.130.205)	(5.119.014)
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	289.556.875	35.704.305
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	5	317.079.148	289.556.875

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

NOTE 1 - GROUP'S ORGANIZATION AND NATURE OF ACTIVITIES

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

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

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

The Group owns retail space of 368,143 square meters (296,839 square meters of its own stores and 71 304 square meters of others) (31 December 2013: 351,751 square meters (282,026 square meters of its own stores, and 69 725 square meters of others)) and operates in 394 stores (280 own stores and 114 other) (31 December 2013: 383 stores (265 own stores and 118 other)).

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

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

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

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

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

Going concern assumption

The consolidated financial statements have been prepared assuming that the Company and its consolidated subsidiaries will continue as a going concern on the basis that they will be able to realize its assets and discharge its liabilities in the normal course of business. As of 31 December 2014, the total current liabilities of the Group exceed its total current assets by TRY 1.327.014.823. The Group management is considering several scenarios for the redemption plan related to the purchase of shares held on 31 May 2013 such as converting long term liabilities to short term liabilities and sale of subsidiary as well as improving the capital structure if necessary. The main shareholders of the Group continue to provide financial support to the Group.

New and amended international financial reporting standards

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 2014 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2015. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

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

2.2 Significant changes in the accounting policies

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

- Amendment to IAS 32, "Financial instruments: Presentation", on offsetting financial assets and financial liabilities, effective from annual periods beginning on or after 1 January 2014. This amendment updates the application guidance in IAS 32, "Financial instruments: Presentation", to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. This amendment has no impact on the financial position and performance of the Group.
- Amendments to IAS 36, "Impairment of assets", effective from annual periods beginning on or after 1 January 2014. These amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. This amendment has no impact on disclosures of the Group's financial statements.
- Amendment to IAS 39 "Financial instruments: Recognition and measurement", on novation of derivatives and hedge accounting, effective from annual periods beginning on or after 1 January 2014. These narrow-scope amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. This amendment has no impact on the financial position and performance of the Group since the Group do not apply hedge accounting.
- IFRIC 21, "Levies", effective from annual periods beginning on or after 1 January 2014. This interpretation is on IAS 37, "Provisions, contingent liabilities and contingent assets". IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. This amendment has no impact on the financial position and performance of the Group.
- Amendments to IFRS 10, "Consolidated financial statements", IFRS 12 and IAS 27 for investment entities, effective from annual periods beginning on or after 1 January 2014. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an "investment entity" definition and which display particular characteristics. Changes have also been made IFRS 12 to introduce disclosures that an investment entity needs to make. This amendment has no impact on the financial position and performance of the Group.

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

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

- Annual improvements 2012; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2010-12 cycle of the annual improvements project, that affect 7 standards. None of these improvements is expected to have a significant effect on the financial position and performance of the Group.
- IFRS 2, "Share-based payment"
- IFRS 3, "Business Combinations"
- IFRS 8, "Operating segments"
- IFRS 13, "Fair value measurement"
- IAS 16, "Property, plant and equipment" and IAS 38, "Intangible assets"
- Consequential amendments to IFRS 9, "Financial instruments", IAS 37, "Provisions, contingent liabilities and contingent assets", and
- IAS 39, "Financial instruments – Recognition and measurement"

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

2.2 Significant changes in the Accounting Policies (Continued)

- Annual improvements 2013; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2011-12-13 cycle of the annual improvements project, that affect 4 standards. None of these improvements is expected to have a significant effect on the financial position and performance of the Group.
 - IFRS 1, "First time adoption"
 - IFRS 3, "Business combinations"
 - IFRS 13, "Fair value measurement" and
 - IAS 40, "Investment property".
- IFRS 14 "Regulatory deferral accounts", effective from annual periods beginning on or after 1 January 2016. IFRS 14, "Regulatory deferral accounts" permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items. This amendment is not expected to have a significant effect on the financial position and performance of the Group.
- Amendment to IFRS 11, "Joint arrangements" on acquisition of an interest in a joint operation, effective from annual periods beginning on or after 1 January 2016. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions. This amendment is not expected to have a significant effect on the financial position and performance of the Group.
- Amendment to IAS 16, "Property, plant and equipment" and IAS 38, "Intangible assets", on depreciation and amortisation, effective from annual periods beginning on or after 1 January 2016. In this amendment the it has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. It is also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This amendment is not expected to have a significant effect on the financial position and performance of the Group.
- Amendments to IAS 27, "Separate financial statements" on the equity method, effective from annual periods beginning on or after 1 January 2016. These amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. This amendment is not expected to have a significant effect on the financial position and performance of the Group.
- Amendments to IFRS 10, "Consolidated financial statements" and IAS 28, "Investments in associates and joint ventures", effective from annual periods beginning on or after 1 January 2016. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. This amendment is not expected to have a significant effect on the financial position and performance of the Group.
- IFRS 15 "Revenue from contracts with customers", effective from annual periods beginning on or after 1 January 2017. IFRS 15, 'Revenue from contracts with customers' is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally. This amendment is not expected to have a significant effect on the financial position and performance of the Group.
- IFRS 9 "Financial instruments", effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model. This amendment is not expected to have a significant effect on the financial position and performance of the Group.
- Amendments to IAS 16 "Property, plant and equipment", and IAS 41, "Agriculture", regarding bearer plants, effective from annual periods beginning on or after 1 January 2016. These amendments change the financial reporting for bearer plants, such as grape vines, rubber trees and oil palms. It has been decided that bearer plants should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41. This amendment is not expected to have a significant effect on the financial position and performance of the Group.

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

2.2 Significant changes in the Accounting Policies (Continued)

- Amendment to IAS 19 regarding defined benefit plans, effective from annual periods beginning on or after 1 July 2014. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. This amendment is not expected to have a significant effect on the financial position and performance of the Group.
- Annual improvements 2014, effective from annual periods beginning on or after 1 January 2016. These set of amendments impacts 4 standards. None of these improvements is expected to have a significant effect on the financial position and performance of the Group.
 - IFRS 5, "Non-current assets held for sale and discontinued operations" regarding methods of disposal.
 - IFRS 7, "Financial instruments: Disclosures", (with consequential amendments to IFRS 1) regarding servicing contracts.
 - IAS 19, "Employee benefits" regarding discount rates.
 - IAS 34, "Interim financial reporting" regarding disclosure of information.

2.3 Compliance with TAS

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

2.4 Presentation and functional currency

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

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

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

2.5 Comparatives and restatement of prior periods' financial statements

The consolidated financial statements of the Group include comparative financial information to enable the determination of the financial position and performance. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period consolidated financial statements. As of 31 December 2014, there is not any significant reclassification applied in the comparative financial statements.

The fair value exercise of the Group which was not finalized as of 31 December 2013, has been finalized as of 31 May 2014 in accordance with TAS and the fair value of the intangibles assets has been recognized retrospectively together with their effects on goodwill, non-controlling interests and deferred tax liabilities in the consolidated financial statements (Note 3).

Principles of Consolidation

The consolidated financial statements include the parent company, Boyner Perakende, and its subsidiaries; BBM, Beymen, AY Marka, AYTK, BYN, Alticom, Altinyıldız Corporation for the period ended at 31 December 2014. Subsidiaries are fully consolidated from the date on which control is transferred to the Company.

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

2.6. Summary of significant accounting policies

Basis of Consolidation

The consolidated financial statements include the accounts of the Group on the basis set out in sections below. The financial statements of the fully consolidated subsidiaries have been prepared with required adjustments and reclassifications for the purpose of compliance with CMB financial reporting standards and the accounting policies of the Group. The financial results of the subsidiaries are fully consolidated from the date on which control is transferred to the Group or deconsolidated from the date that control ceases.

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

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

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

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

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

⁽¹⁾ As of 31 December 2014, ownership interest of the Group in BBM has increased from 96,55% to 96,58%.

⁽²⁾ The liquidation process of Alticom has started in 2014 and the process continues as of 31 December 2014.

⁽³⁾ In accordance with the resolution of the Board of Directors dated 5 November 2012, it is decided to abolish the sales office in Italy, namely, Altinyıldız İtalya SRL, whose principal activity is sales and marketing of textile products. The subsidiary is abolished on 9 January 2014.

⁽⁴⁾ The liquidation process of Vista Sağlık Hizmetleri Ticaret Danışmanlık A.Ş. started in 2014 and the process continues as of 31 December 2014.

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

2.6. Summary of significant accounting policies (Continued)

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

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

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

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

Equity method

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

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

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

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

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

Offsetting

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

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

2.6. Summary of significant accounting policies (Continued)

Accounting estimates

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

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

Revenue recognition

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

Sales of goods - wholesale

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

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

Sale of goods - retail

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

Rent income obtained from investment properties

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

Gain on sales of stores and residences recognized as inventory

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

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

2.6. Summary of significant accounting policies (Continued)

Other income

Other income of the Group recognized according to following terms:

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

Cash and cash equivalents

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

Trade receivables

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

Inventories

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

Investment properties

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

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

Property, plant and equipment

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

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

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

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

2.6. Summary of significant accounting policies (Continued)

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

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

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

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

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

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

Intangible assets

Intangible assets acquired

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

Trademarks

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

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

Customer and franchise network

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

Favorable lease contracts

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

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

2.6. Summary of significant accounting policies (Continued)

Business combinations and goodwill

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

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

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

Impairment of non-financial assets

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

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

Financial investments

Classification

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

Receivables

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

Available for sale financial assets

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

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

2.6. Summary of significant accounting policies (Continued)

Held to maturity financial assets

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

Recognition and measurement

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

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

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

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

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

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

Derivative financial instruments

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

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

Trade payables

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

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

2.6. Summary of significant accounting policies (Continued)

Borrowing costs

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

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

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

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

Foreign currency transactions

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

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

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

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

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

Lease transactions

Financial leases

Financial leases - The Group as the lessee

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

Operating leases - The Group as the lessee

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

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

2.6. Summary of significant accounting policies (Continued)

Earnings per share

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

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

Provisions, contingent assets and liabilities

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

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

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

Related parties

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

Advertisement and promotion expenses

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

Taxes

Current and deferred tax

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

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

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

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

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

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

2.6. Summary of significant accounting policies (Continued)

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

Provision for employee benefits

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

Unused vacation rights

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

Customer loyalty programmes

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

Gift vouchers

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

Statement of cash flows

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

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

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

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

Subsequent events

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

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

2.6. Summary of significant accounting policies (Continued)

Segment reporting

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

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

2.7 Significant accounting estimations

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

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

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

ii) Impairment tests for goodwill

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

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

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

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

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

2.7 Significant accounting estimations (Continued)

iii) Provision for net realizable value of inventories

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

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

iv) Fair value of investment properties

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

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

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

31 December 2014	Expert report date method	Valuation rate	Discount rate	Annual rent increase ratio	Capitalization m ² value	Comparison of
Starcity Shopping mall ^(a)	31.12.2014	Discounted revenue	10%	2%	-	-
Antalya Land ^(b)	05.08.2013	Comparison	-	-	-	200
Unkapanı Shop ^(c)	06.08.2013	Comparison	-	-	-	1.400

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

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

b) Land located in Antalya, Kepez with a floor space of 4.647 m² is classified as investment property as of 31 December 2014, and is accounted at its fair value of TRY 935.000 determined by an independent expert's valuation report dated 5 August 2013 and numbered 2013/5900.

c) Shop located in İstanbul, Fatih with a floor space of 125 m² is classified as investment property as of 31 December 2014, and is accounted at its fair value of TRY 175.000 determined by the valuation report of Elit Gayrimenkul Değerleme A.Ş. dated 6 August 2013 and numbered 2013/5901.

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

v) Provision for doubtful receivables

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

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

2.7 Significant accounting estimations (Continued)

vi) Value of intangible assets acquired through the business combination

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

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

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

NOTE 3 - BUSINESS COMBINATIONS

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

a) Acquisition of BBM and Beymen

The interests of Boyner Perakende in its associates accounted for using the equity method was 49,99% and 29,99% for Beymen and BBM, respectively, and Fennella S.a.r.l. ("Fennella"); which is an establishment of Citi Venture Capital International ("CVC") is the other shareholder in Beymen and BBM. On 31 May 2013, Boyner Perakende purchased Fennella's shares of Beymen (50.01%) and BBM (30,05%) and the share purchase agreement is signed with Fennella at the same date.

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

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

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

NOTE 3 - BUSINESS COMBINATIONS (Continued)

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

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

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

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

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

Consequently, fair values increases of Beymen and BBM amounting to TRY 470.018.541 and TRY 155.593.774, respectively, determined as a result of the valuation of Boyner Perakende's share in Beymen and BBM with the ratios of 49,99% and 29,99%, respectively at 31 May 2013, have been accounted for under income from investment activities (Note 26).

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

In the course of acquisition, in the context of TFRS 3, purchase price allocation is required to be exercised for all of the subsidiaries and associates in the consolidated financial statements of acquire. BBM, acquired 63% shares of Yeni Karamürsel Giyim ve İhtiyaç Maddeleri Ticaret ve Sanayi A.Ş. ("YKM") that operates in retail sector and 20,62% of Yeni Karamürsel Giyim ve İhtiyaç Maddeleri Pazarlama A.Ş. ("YKM Pazarlama") that is a subsidiary of YKM. Due to the fact that fair value studies related with this acquisition has been made provisionally at the date when shares of BBM were acquired, at the initial accounting for business combination applied for the acquisition of BBM's shares it has been assumed that any significant change at the fair values of intangible assets have not been anticipated. Negotiations with the selling shareholders of YKM and YKM Pazarlama on the acquired entities net assets at the date of acquisition and value of working capital have been finalized at the date of issue of consolidated financial statements as of 30 September 2013 and their effects have been reflected to the consolidated financial statements.

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

NOTE 3 - BUSINESS COMBINATIONS (Continued)

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

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

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

NOTE 3 - BUSINESS COMBINATIONS (Continued)

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

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

	2014
Goodwill - previously reported	942.584.717
Impact of fair value exercise of brands	(189.610.674)
Tax effect	37.922.134
Non-controlling interests	5.233.255
Goodwill - final	796.129.432

The fair value exercise of franchise agreements, favorable contracts, customer relationships, Beymen brand and other tangible and intangible assets whose fair value exercise was ongoing as of 30 June 2013, has been finalized as of 31 December 2013 and accounted in the consolidated financial statements as of 31 December 2013 starting from the acquisition date. The impact of the adjustments to the interim condensed consolidated profit and loss, other comprehensive income and non-controlling interests arising on business combinations as of 30 June 2013 is as follows:

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

50% of Beymen's market value which will be computed by multiplying the Earnings Before Interest Tax Depreciation and Amortization ("EBITDA") figures by 10,5 which is derived from the financial statements of Beymen as of 31 December 2014 prepared in accordance with the CMB Financial Reporting Standards after deducting net liabilities will be compared with the minimum consideration amounting to USD 266.680.000 determined by the share purchase agreement dated 31 May 2013 and the remaining differences will be additionally paid to Fennella. Upper limit for the additional payment has been determined as USD 89.820.000. Possible contingent consideration has been estimated to be TRY 13.995.750 (USD 7.500.000) and its present value has been calculated based on the discount rate of 6,00% and at the purchase price allocation as at 31 May 2013, TRY 12.446.229 was taken into consideration. As of 31 December 2013, calculation of contingent consideration has been reviewed by the management and it has been reversed and accounted for under other operating income due to the remote probability of the occurrence of payment mainly related to the significant increase in US dollars/TRY rate which will be used in the calculation (Note 25).

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

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

NOTE 3 - BUSINESS COMBINATIONS (Continued)

b) Merger of BBA and AYTK

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

	2012	2011
Assets	15.536.823	16.709.472
Liabilities	(3.137.903)	(2.870.288)
Net total assets	12.398.920	13.839.184
Net assets acquired (A)	12.398.920	13.839.184
AYTK share value for net assets held (non-controlling shares) (B)	(5.065.894)	(6.360.429)
Losses from BBA attributable to shares of equity holders (C)	145.729	-
Impact of business combinations under common control (A+B+C) (Note 21)	7.478.755	7.478.755
		2013
Value of AYTK non-controlling interest (A)		7.992.104
Payables related to acquisition (B)		(20.097.783)
Impact of business combinations under common control (A+B) (Note 21)		(12.105.679)

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

NOTE 4 - SEGMENT REPORTING

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

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

NOTE 4 - SEGMENT REPORTING (Continued)

1 January-31 December 2014	Retail operations	Textile and ready wear clothes	Real estate development and management	Undistributed	Elimination	Total
Revenue	2.913.021.431	283.405.910	125.295.078	21.142.499	(182.451.228)	3.160.413.690
Gross profit/(loss)	1.195.828.543	24.778.188	31.666.528	17.616.611	(17.815.305)	1.252.074.565
Capital Expenditures (based on balance sheet)	67.418.851	2.149.255	-	902.935	-	70.471.041
Depreciation and amortization expenses	64.826.083	9.338.928	-	36.036.786	-	110.201.797

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

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

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

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

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

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

NOTE 4 - SEGMENT REPORTING (Continued)

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

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

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

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

NOTE 5 - CASH AND CASH EQUIVALENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

	31 December 2014		31 December 2013	
	Effective ownership ratio (%)	Amount	Effective ownership ratio (%)	Amount
Associates				
<i>Accounted for using the equity method</i>				
İzkar	49,60	1.438.979	49,60	1.304.448
Christian Dior	49,00	4.928.296	49,00	4.275.449
<i>Accounted at cost</i>				
Nile Bosphorus (*)	33,33	5.472.508	33,33	5.472.508
Joint ventures				
<i>Accounted for using the equity method</i>				
Christian Louboutin	30	1.822.916	30	1.089.556
Elif Co (**)	50	-	50	-
		13.662.699		12.141.961

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

(**) As of 31 December 2014 and 2013, the Group has presented the amount of investment accounted for using the equity method as zero, due to the losses incurred by Elif Co. As at 31 December 2014, loss which is not accounted in the consolidated financial statements due to the gap between the amount of investment and the cost of the investment accounted for using the equity method, is amounting to TRY 4.035.471 (1 January - 31 December 2013: TRY 2.030.435).

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

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

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

NOTE 7 - FINANCIAL LIABILITIES

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

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

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

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

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

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

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

	31 December 2014	31 December 2013
Long-term bank borrowings	368.831.015	137.690.272
Long-term bonds issued (***)	137.375.499	234.077.872
Financial lease liabilities	2.260.479	4.793.832
	508.466.993	376.561.976

(***) In accordance with the approval of CMB dated 16 September 2013, the commercial paper with a nominal value of TRY 60.000.000 with a maturity of 727 days, a quarterly coupon and principal payment on the maturity date, benchmark Government Debt Securities + 5.50% floating interest rate has been offered to qualified investors.

The Group has offered bond amounting to TRY 30.000.000 to qualified investors on 31 March 2014 with a maturity of 546 days. The coupon and principal payment are due at the end of the three month government securities and the indicator is +5.00% floating interest rate.

The Group has offered bond amounting to TRY 50.000.000 to qualified investors on 28 November 2014 with a maturity of 728 days. The coupon and principal payment are due at the end of the three month government securities and index + 4.50% quarterly floating interest rate.

Bond which is issued by BBM, consecutive to registering CMB, consists of TRY 100.000.000 nominal value in 6 November 2012, 36 months maturity, monthly interest, principal payment on the maturity date, benchmark Government Debt Securities + 4.50% interest rate bond.

Bond which is issued by BBM, consecutive to registering CMB, consists of TRY 100.000.000 nominal value in 23 December 2013, 36 months maturity, monthly interest, principal payment on the maturity date, benchmark Government Debt Securities + 5.00% interest rate bond.

NOTE 7 - FINANCIAL LIABILITIES (Continued)

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

31 December 2014				
Currency	Maturity	Interest Rate (%)	Short Term	Long Term
TRY interest free borrowings	2015	-	12.021.757	-
TRY borrowings	2015-2016	11,50-18	542.680.395	81.388.112
USD borrowings	2015-2018	Libor + 4,75-8,3	161.096.416	225.768.352
EUR borrowings	2015-2026	6,60-8	37.419.918	61.674.551
			753.218.486	368.831.015
31 December 2013				
Currency	Maturity	Interest Rate (%)	Short Term	Long Term
TRY interest free borrowings	2014	-	9.719.740	-
TRY borrowings	2014-2016	7,25-16,66	631.626.376	113.289.254
USD borrowings	2014-2015	6,76-7,03	62.992.085	5.122.320
EUR borrowings	2014-2017	5-7	37.323.561	19.278.698
			741.661.762	137.690.272

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

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

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

NOTE 7 - FINANCIAL LIABILITIES (Continued)

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

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

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

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

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

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

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

NOTE 8 - DERIVATIVE FINANCIAL INSTRUMENTS

The details of derivative instruments are as follows:

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

(*) The Group entered swap contracts in order to hedge foreign exchange risk and interest risk on 21 November 2014 for its financial liability amounting to 9783 million USD (TRY 226,857,988) and has converted floating interest rate loan to TRY by fixed rate with optional cross-currency swap transactions. As of 31 December 2014, the swap instruments are carried at their fair values in the consolidated financial statements.

NOTE 9 - OTHER FINANCIAL LIABILITIES

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

NOTE 10 - TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables

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

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

Long-term trade receivables

	31 December 2014	31 December 2013
Trade receivables from related parties (Note 31)	3.252.007	2.993.125
Trade receivables from third parties	11.582.950	14.545.000
Less: Unearned financial expense on term sales to third parties	(2.994.947)	(4.185.076)
Total long-term trade receivables	11.840.010	13.353.049

The collection period of trade receivables vary with the type of product and the agreements entered into with the customer. The average collection period for domestic sales of ready-to-wear clothes is 145 days (31 December 2013: 155 days), for export of ready to wear products is 51 days (31 December 2013: 30 days), for domestic textile sales is 205 days (31 December 2013: 185 days) and for export sale of textile products is 44 days (31 December 2013: 60 days). The average collection period of trade receivables from retail sales is 103 days (31 December 2013: 116 days).

NOTE 10 - TRADE RECEIVABLES AND PAYABLES (Continued)

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

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

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

Trade payables

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

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

NOTE 11 - OTHER RECEIVABLES AND PAYABLES

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

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

NOTE 11 - OTHER RECEIVABLES AND PAYABLES (Continued)

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

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

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

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

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

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

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

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

NOTE 12 - INVENTORIES

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

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

NOTE 12 – INVENTORIES (Continued)

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

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

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

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

NOTE 13 - PREPAID EXPENSES AND DEFERRED REVENUE

Deferred revenue - Current

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

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

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

Deferred revenue - Non-current

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

Prepaid expenses - Current

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

NOTE 13 - PREPAID EXPENSES AND DEFERRED REVENUE (Continued)

Prepaid expenses – Non-current

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

NOTE 14 - INVESTMENT PROPERTIES

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

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

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

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

Name	Date of expertise report	Fair value (TRY)	Cost value (TRY)
Starcity Mall	5 January 2015	127.040.000	41.249.779
Land in Antalya	5 August 2013	935.000	66.492
Store at Unkapani	6 August 2013	175.000	43.961

As of 31 December 2014, rent income from investment properties is amounting to TRY 10.302.356 (31 December 2013: TRY 8.425.852).

NOTE 14 - INVESTMENT PROPERTIES (Continued)

The fair value of land and buildings

As of 31 December 2014 and 2013, the fair value of land and buildings of the Group was determined by an independent expert. The fair value of Istwest is determined by the Company itself based on the sale price of similar stores in Istwest in 2014. Since the difference between the fair value and the carrying value of the stores is not significant, the carrying value is accepted as the fair value. Increase in the revaluation amount has been recognized as other operating income in the statement of comprehensive income. The table below analyses non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

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

	31 December 2014		
	Quoted in active markets for identical assets prices (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Recurring fair value measurements			
Land and buildings			
Starcity Mall	-	127.040.000	-
Land in Antalya	-	935.000	-
Store at Unkapani	-	175.000	-
Istwest stores	-	10.736.740	-
	-	138.886.740	-

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

Valuation techniques used to derive level 2 fair values

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

NOTE 15 - PROPERTY PLANT AND EQUIPMENT

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

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

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

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

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

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

NOTE 16 - INTANGIBLE ASSETS

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

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

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

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

NOT 16 - INTANGIBLE ASSETS (Continued)

Brands

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

Brand impairment tests

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

Beymen brand

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

Boyner brand

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

T-box brand

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

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

NOTE 17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short term provision for employee benefits

Short term provision for employee benefits amounting to TRY 12.226.042 (31 December 2013: TRY 10.894.799) consists of provision for unused vacation rights, and bonus provision.

Other short term provisions

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

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

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

The movement of other short term provisions is as follows:

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

Contingent assets and liabilities

Collaterals, Pledges and Mortgages

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

	31 December 2014	31 December 2013
The GPM's given by the Group		
A. Total amount of GPMs which the Company provided on behalf of its own legal entity	51.730.757	183.816.857
B. Total amount of GPMs which the Company provided on behalf of associates that are included to full consolidation	424.240.764	280.839.026
C. Total amount of GPMs which the Company provided on behalf of third parties to conduct business activities	-	-
D. Total amount of other GPMs provided	-	-
i. On behalf of majority shareholder	-	-
ii. On behalf of other group companies which are not included in item B or C.	-	-
iii. On behalf of third parties which are not covered by item C.	-	-
	475.971.521	464.655.883

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

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

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

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

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

NOTE 18 - COMMITMENTS

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

Operating lease commitments (Vehicles):

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

Operating leasing commitments (Stores):

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

Finance leasing commitments:

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

Operating leasing commitments (Office):

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

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

NOTE 19 - EMPLOYEE BENEFITS

Short term provision for employee benefits

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

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

Long term provision for employee benefits

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

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

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

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

	31 December 2014	31 December 2013
Recognized amounts during period	6.765.779	2.325.710
Financial liability from employee benefits (Note 28)	2.758.228	1.465.953
Closing balance	9.524.007	3.791.663
	31 December 2014	31 December 2013
Provision for employee benefits	24.318.778	21.536.781
	24.318.778	21.536.781

NOTE 19 - EMPLOYEE BENEFITS (Continued)

The movement of employee benefits is as follows:

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

NOTE 20 - OTHER ASSETS AND LIABILITIES

Other current assets

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

Other non-current assets

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

Other short term liabilities

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

NOTE 21 - EQUITY

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

	31 December 2014		31 December 2013	
	Share	Amount (TRY)	Share	Amount (TRY)
Boyner Holding	79,11%	31.645.113	79,11%	31.645.113
Other shareholders and free float (*)	20,89%	8.354.887	20,89%	8.354.887
Paid-in capital	100,00%	40.000.000	100,00%	40.000.000
Inflation adjustment difference in share capital		56.061.369		56.061.369
Total adjusted capital		96.061.369		96.061.369

(*) Represents shareholding less than 10%.

NOTE 21 - EQUITY (Continued)

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

Legal Reserve

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

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

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

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

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

Revaluation funds

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

	31 December 2014	31 December 2013
Related to the land on which the factory plant was located	78.824.810	78.824.810
Related to the land classified as investment property	15.722.470	15.722.470
Total of revaluation funds	94.547.280	94.547.280
Classification of the special fund arising from sale of investment property	(15.722.470)	(15.722.470)
Deferred tax effect	(3.943.025)	(3.943.025)
Transfer to accumulated losses	(54.315.675)	(45.076.755)
	20.566.110	29.805.030

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

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

(*) The deliveries for the completed parts of the project have been started in 2013 as explained in Note 12. Revaluation fund associated with this part which is accounted as income in the financial statements has been transferred to retained earnings.

NOTE 21 - EQUITY (Continued)

Impact of business combinations under common control

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

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

NOTE 22 - REVENUE AND COST OF SALES

Sales

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

Cost of sales

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

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

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

NOTE 23 – MARKETING, GENERAL ADMINISTRATIVE AND RESEARCH AND DEVELOPMENT EXPENSES (Continued)

Research and development expenses

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

Marketing expenses

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

General administrative expenses

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

NOTE 24 - EXPENSE BY NATURE

Personnel expenses

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

NOTE 24 - EXPENSE BY NATURE (Continued)

Depreciation and amortization expenses

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

NOTE 25 - OTHER OPERATING INCOME / (EXPENSE)

Other operating income

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

Other expenses from operations

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

NOTE 26 - INCOME FROM INVESTING ACTIVITIES

Income from investing activities

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

NOTE 26 - INCOME FROM INVESTING ACTIVITIES (Continued)

Loss from investing activities

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

NOTE 27 - FINANCIAL INCOME

Financial income

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

NOTE 28 - FINANCIAL EXPENSES

Financial expenses

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

NOTE 29 - TAX ASSETS AND LIABILITIES

a) Corporate Tax

The Turkish corporation tax rate for 2014 is 20% (31 December 2013: 20%). This rate is applicable to the tax base derived upon exemptions and deductions stated in the tax legislation through addition of disallowable expenses to the commercial revenues of the companies with respect to the tax legislation.

Taxes on profit for the period consist of the following:

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

NOTE 29 - TAX ASSETS AND LIABILITIES (Continued)

a) Corporate Tax (Continued)

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

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

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

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

NOTE 29 - TAX ASSETS AND LIABILITIES (Continued)

b) Deferred tax assets and liabilities:

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

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

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

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

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

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

NOTE 30 - EARNINGS / (LOSSES) PER SHARE

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

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

(*) Per share of TRY 1 nominal value.

NOTE 31 - RELATED PARTY DISCLOSURES

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

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

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

NOTE 31 - RELATED PARTY DISCLOSURES (Continued)

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

	31 December 2014		31 December 2013	
	Trade	Other	Trade	Other
Payables to shareholders				
Boyner Holding A.Ş.	1.411.131	8.350.048	4.133.225	41.349.748
Payables to individual shareholders	-	23.184.898	-	-
Payables to associates				
İzkar Giyim Tic Ve San A.Ş.	-	-	25.267	-
Christian Louboutin Mağazacılık A.Ş.	87.933	-	-	-
Christian Dior İstanbul Mağazacılık A.Ş.	862.208	-	-	-
Payables to other related parties				
BNR Teknoloji A.Ş.	114.374	-	39.001.601	-
BR Mağazacılık A.Ş.	6.007.923	-	5.339.645	-
Alsis Sigorta Acentalığı A.Ş.	2.118.491	-	1.833.086	-
Boğaziçi Yatçılık ve Turizm Yatırımları A.Ş.	5.869	-	4.706	-
Fırsat Teknoloji A.Ş.	2.619	-	3.138	-
Ran Konfeksiyon Tekstil Deri ve Yan Ürünler İth.ve İhr. Turizm Ltd.	-	-	6.355	-
Yeni Ege Konfeksiyon Yan Ürünleri Ticaret ve Sanayi A.Ş.	691.712	-	-	-
	11.302.260	31.534.946	50.347.023	41.349.748

NOTE 31 - RELATED PARTY DISCLOSURES (Continued)

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

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

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

NOTE 31 - RELATED PARTY DISCLOSURES (Continued)

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

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

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

NOTE 32 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

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

i. Funding risk

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

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

ii. Credit risk

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

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

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

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

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

⁽¹⁾ The indicated totals represent the maximum credit risks incurred as of the reporting date without taking into consideration the guarantees held or other elements that improve creditability.

⁽²⁾ The indicated totals comprise of the customers that the Group did not have any collection problem or collected their receivables with delay.

⁽³⁾ The Group has obtained guarantee notes of TRY 13.493.000 against its receivables whose conditions are revised, which otherwise would be considered overdue or impaired.

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

ii. Credit risk (Continued)

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

⁽¹⁾ The indicated totals represent the maximum credit risks incurred as of the reporting date without taking into consideration the guarantees held or other elements that improve creditability.

⁽²⁾ The indicated totals comprise of the customers that the Group did not have any collection problem or collected their receivables with delay.

⁽³⁾ The Group has obtained guarantee notes of TRY 20.901.809 against its receivables whose conditions are revised, which otherwise would be considered overdue or impaired.

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

ii. Credit risk (Continued)

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

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

iii. Liquidity risk

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

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

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

31 December 2014

Maturities accordance with agreements	Carrying value	Total cash outflows in accordance with contract	Less than 3 months	3-12 months	1-5 Years
<i>Derivative Financial Assets</i>					
Derivative assets	4.932.506	4.932.506	481.132	1.202.606	3.248.768
Total	4.932.506	4.932.506	481.132	1.202.606	3.248.768

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

31 December 2014

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

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

iii. Liquidity risk (Continued)

31 December 2013

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

iv. Price risk

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

v. Foreign currency risk

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

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

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

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

v. Foreign currency risk (Continued)

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

	31 December 2014					31 December 2013				
	TRY Equivalent (Functional Currency)	USD	EUR	GBP	CHF	TRY Equivalent (Functional Currency)	USD	EUR	GBP	CHF
1. Trade receivables	56.911.954	16.622.575	6.111.920	313.109	-	34.468.982	12.464.000	2.562.990	97.069	-
2a. Monetary financial assets, (cash and banks account included)	3.421.203	1.084.633	302.789	11.562	4.442	9.858.143	1.514.331	2.225.480	25.911	-
2b. Non-Monetary financial assets	4.117.248	1.157.465	492.664	12.109	-	10.953.832	2.173.054	2.135.351	12.937	-
3. Other	45.254.712	2.167.576	14.132.627	101.337	-	10.940.699	2.038.562	2.142.576	84.900	-
4. Current Assets (1+2+3)	109.705.117	21.032.249	21.040.000	438.117	4.442	66.221.656	18.189.947	9.066.397	220.817	-
5. Trade receivables	3.252.007	1.402.392	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-	-	-
6b. Non-monetary Financial Assets	165.767	65.253	5.124	-	-	909.255	58.666	267.000	-	-
7. Other	-	-	-	-	-	-	-	-	-	-
8. Non-Current Assets (5+6+7)	3.417.774	1.467.645	5.124	-	-	909.255	58.666	267.000	-	-
9. Total Assets (4+8)	113.122.891	22.499.894	21.045.124	438.117	4.442	67.130.911	18.248.613	9.333.397	220.817	-
10. Trade payables	140.909.248	15.890.755	36.864.226	19.670	2.786	163.888.953	24.178.423	38.213.782	19.985	-
11. Financial liabilities	199.513.067	69.898.151	13.268.425	-	-	104.269.535	31.216.064	12.819.714	-	-
12a. Financial liabilities	1.027.267.994	439.637.533	2.626.710	106.604	-	66.973.903	30.324.850	7.666.662	71	-
12b. Other non-monetary liabilities	-	-	-	-	-	-	-	-	-	-
13. Current Liabilities (10+11+12)	1.367.690.309	525.426.439	52.759.361	126.274	2.786	335.132.391	85.719.337	51.800.158	20.056	-
14. Trade payables	-	-	-	-	-	-	-	-	-	-
15. Financial Liabilities	287.565.817	97.413.112	21.864.981	-	-	25.771.166	3.038.878	6.567.440	-	-
16a. Other monetary liabilities	100.257	36.130	5.841	-	-	686.875.985	321.827.290	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-	-	-	-	-	-
17. Non-current liabilities (14+15+16)	287.666.074	97.449.242	21.870.822	-	-	712.647.151	324.866.168	6.567.440	-	-
18. Total liabilities (13+17)	1.655.356.383	622.875.681	74.630.183	126.274	2.786	1.047.779.542	410.585.505	58.367.598	20.056	-
19. Net assets of off balance sheet derivative items (liability) position (19a-19b)	-	-	-	-	-	-	-	-	-	-
19a. Total amount of assets hedged	-	-	-	-	-	-	-	-	-	-
19b. Total amount of liabilities hedged	-	-	-	-	-	-	-	-	-	-
20. Net foreign assets / (liability) position (9-18+19)	(1.542.233.492)	(600.375.787)	(53.585.059)	311.843	1.656	(980.648.631)	(392.336.892)	(49.034.201)	200.761	-
21. Net foreign currency asset / (liability) / (position of monetary items (UFRS 7.B2.3) (=1+2a+5+6a-10-11-12a-14-15-16a))	(1.591.771.219)	(603.766.081)	(68.215.474)	198.397	1.656	(1.003.452.417)	(396.607.174)	(53.579.128)	102.924	-
22. Fair value of derivative instruments used in foreign currency hedge	-	-	-	-	-	-	-	-	-	-
23. Partial total amount of foreign currency assets hedged	-	-	-	-	-	-	-	-	-	-
24. Partial total amount of foreign currency liabilities hedged	-	-	-	-	-	-	-	-	-	-
25. Export	66.071.652	11.026.212	13.541.365	769.837	-	84.422.904	27.973.389	15.836.227	637.859	-
26. Import	396.469.925	156.157.960	17.630.086	54.501	-	295.511.042	39.571.714	91.883.615	399.866	62.932

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

v. Foreign currency risk (Continued)

Foreign currency sensitivity

As of 31 December 2013 and 2012, a potential change of 10% in Turkish Lira against the foreign currencies stated below will decrease the Group's profit by the amounts stated below. This analysis is based on the assumption that variables, especially the interest rates, will remain constant.

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

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

v. Foreign currency risk (Continued)

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

vi. Interest rate risk

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

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

Interest risk sensitivity

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

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

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

vi. Interest rate risk (Continued)

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

vii. Capital risk management

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

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

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

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

NOT 33 - FAIR VALUE DISCLOSURES AND FINANCIAL INSTRUMENTS

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

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

NOTE 34 - SUBSEQUENT EVENTS

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

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



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