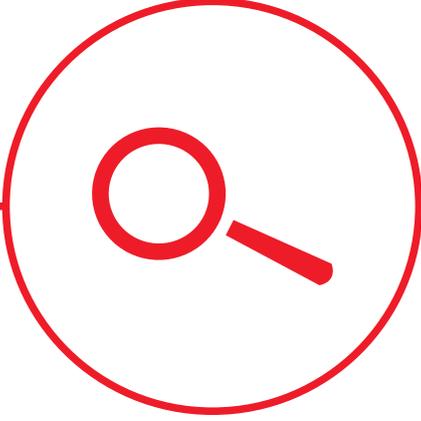




ANNUAL REPORT 2015



A YEAR PACKED
WITH NOVELTY



CONTENTS

10	Key Indicators
12	About BİM
14	Corporate Profile
16	Service Philosophy
18	Milestones
20	Investor Relations
22	Message from the Board of Directors
24	Message from the Executive Committee
26	Shareholder Structure and Board of Directors
28	Retail Sector in Turkey
30	BİM's Domestic and Foreign Operations
32	BİM Difference in Retail
36	2015 Activities
46	Human Resources
48	Report of Related Party Transactions in 2015
50	Corporate Governance
58	Independent Auditor's Report on the Annual Report
59	Consolidated Financial Statements for the Period 1 January-31 December 2015 and Independent Auditor's Report

Name of the Company: BİM Birleşik Mağazalar A.Ş.
Report Period : 01 January-31 December 2015
Trade Registry No. : 334499
Web Site : www.bim.com.tr
Capital : TL 303,600,000
Mersis No : 0175005184608645



Pg.12 About BİM



Pg.14 Corporate Profile



Pg.18 Milestones

Leader of the retail market and often operating in 300-350 square metre stores, BİM is moving on to bigger goals. Our new brand, FİLE, which will operate in 1,000 square metre or bigger stores, brings a new dimension to grocery store competition. BİM family continues to grow with innovations and each new store.



Pg.32 BİM Difference in Retail



Pg.36 2015 Activities



Pg.44 Bimcell



WE ARE DIVERSIFYING SUCCESS

2015 SALES
REVENUE
(TL BILLION)

17.4

Our success increases as we provide more and more products at affordable prices in our stores. Our sales grew by 21% in 2015.

2014
(TL BILLION)

14.5

2013
(TL BILLION)

11.8



arküteri





Unlu

WE ARE REFRESHING TRUST

2015 EBITDA^(*)
(TL MILLION)

865

We are refreshing trust with our strong operational performance, demonstrated by an EBITDA^(*) that was 40% higher in 2015 than in 2014.

2014
(TL MILLION)

619

2013
(TL MILLION)

596

^(*)EBITDA: Earnings before interest taxes depreciation and amortization

Hamuller





Kozmetik





WE ARE GROWING WITH OUR STORES

2015 TOTAL
NUMBER OF STORES

4,972*

2014

4,502

2013

4,000

As we increase the number of our stores, we also raise satisfaction among our customers. We opened 470 new stores across Turkey this year and brought our customers quality at affordable prices. We now have 279 stores in Morocco and 140 stores in Egypt.

*Turkey stores in the BIM format.



FiLE

12,000

AS OF 2015 YEAR-END
9 STORES, 12,000 M²
SELLING SPACE

4,000

DIFFERENT PRODUCTS

WE DELIVER A DIFFERENCE IN SHOPPING

Combining the warmth of the neighborhood corner store with a modern discount supermarket concept, FiLE has opened 9 stores since its 2015 launch. FiLE offers thousands of fresh and non-perishable products in a welcoming atmosphere.



Meyve /





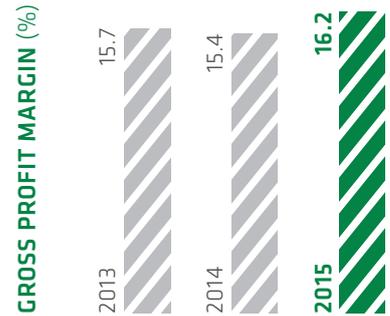
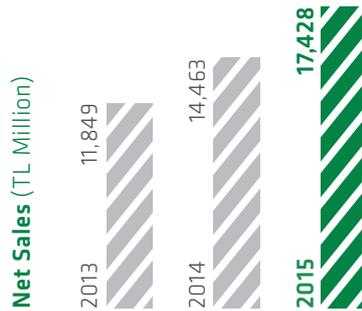
KEY INDICATORS

After a successful year, BİM increased its net profit by 48% compared to the previous period.

Net Sales (TL Million)

21%

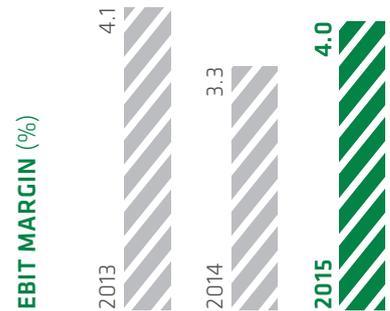
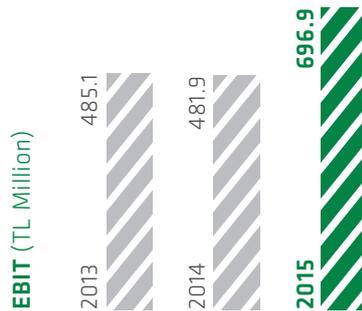
Net sales of BİM rose by 21% to TL 17,428 million.



EBIT (TL Million)

45%

BİM's EBIT rose by 45% to TL 696.9 million in 2015.

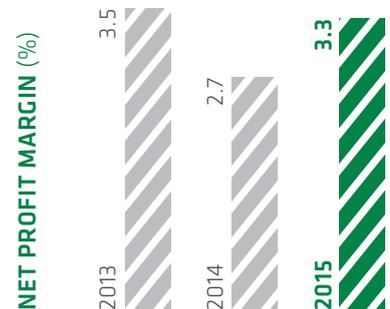
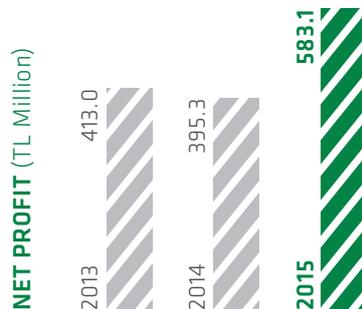


EBIT: earnings before interest and tax

Net Profit (TL Million)

48%

Net profits for BİM rose by 48% to TL 583.1 million in 2015.



Financial results are prepared as consolidated statements within the framework of the Communiqué (Series XI, No. 29), issued by the Capital Markets Board in accordance with International Accounting Standards and International Financial Reporting Standards. BİM has a 100% participation rate in its affiliate companies BİM Stores SARL in Morocco and BİM Stores LLC in Egypt, which have been fully consolidated and are both engaged in food retail.

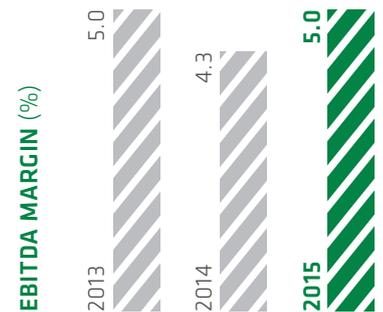
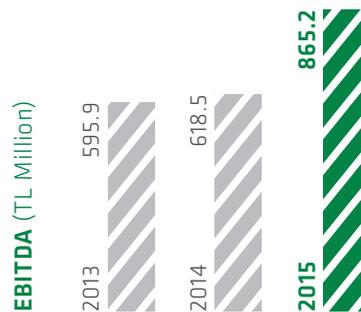
(*) Operational indicators only reflect operations in Turkey. As of year-end 2015, the affiliate partnership established in Morocco has 279 stores (223 stores in 2014) and 1,201 employees (922 employees in 2014). The affiliate partnership established in Egypt has 140 stores (81 stores in 2014) and 1,035 employees in 2015 (667 employees in 2014). The figures related to number of stores are valid as of the last day of the year.

EBITDA (TL Million)

40%

BİM's EBITDA rose by 40% to TL 865 million in 2015.

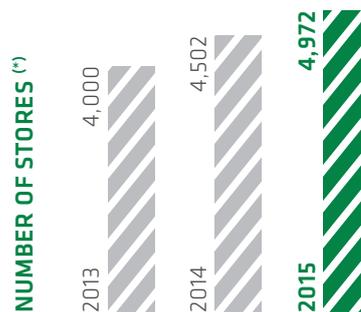
EBITDA: earnings before interest, tax, depreciation and amortization



Number of Stores (*)

10.5%

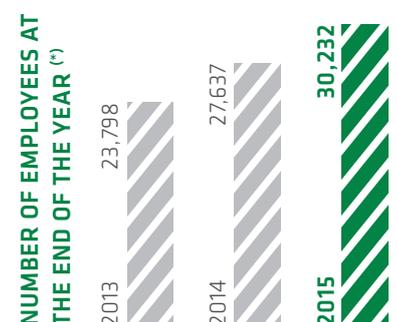
The number of stores under the BİM format increased by 10.5% in 2015, reaching 4,972.



Number of Employees (*)

30,232

As of 2015 year-end, the total number of employees at BİM in Turkey reached 30,232.



ABOUT BİM



Providing services through its 4,972 stores all across Turkey, BİM has achieved a 76% growth rate in the past three years.

21% GROWTH WAS ACHIEVED IN SALES AS A RESULT OF THE PERFORMANCE OF CURRENT STORES AND IN THE 470 NEW STORES THAT WERE OPENED IN 2015.

As the most important actor in Turkey's retail sector, BİM's journey to success started with 21 stores in 1995. Since the day it was established, the Company's primary objective has been to offer high-quality products to customers at the best and most reasonable prices possible. Providing services through its 4,972 stores all across Turkey, BİM has achieved a 76% growth rate of sales in the past three years.

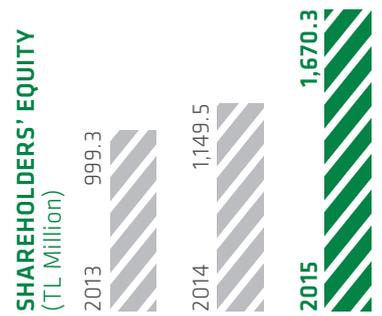
The organic growth model adopted by BİM is one of the most significant factors driving this success. The model also plays an important role in the Company's human resources policy, encouraging staff to adopt the corporate culture and ensuring a high level of employee loyalty.

In 2015, BİM continued to lead the sector. With its 4,972 BİM stores in Turkey as of year-end 2015, the Company continues to grow consistently. 21% growth was achieved in sales as a result of the performance increase in the current stores and in the 470 new stores that were opened in 2015. In the same period, operational profitability (EBITDA) increased by 40%.



BİM has launched its new “FILE” retail model as of March 2015. Stores with this new brand will be structured as supermarkets and will display more stock items than the existing BİM stores. Through FILE, BİM will introduce new concepts with special sections such as the patisserie, meat- charcuterie, fresh food and personnel care are the most distinct characteristics of these new chain stores. With a specialized but broad range of products, FILE stores, positioned as ‘modern neighborhood supermarkets’, are drawing attention from consumers. By this way, FILE markets will draw attention, and customers will have the opportunity to shop in larger spaces.

According to the January 2016 edition of Deloitte’s “Global Powers of Retailing” report, BİM holds 153rd place among the top 250 retail companies in the world. Being the only Turkish company among these 250 firms, BİM is also the 21st fastest-growing retailer. According to research carried out by Interbrand, BİM is one of the 50 best-value retail companies. The building blocks of BİM’s corporate culture created over its 20 years of existence are customer satisfaction, the perfect service principle, positive relations with its suppliers, and qualified human resources. Through its transparent, open, and honest management approach, BİM will continue to maintain its growth levels and profitability in the upcoming period.



45%

Shareholders' equity of BİM rose by 45% to TL 1.670,3 million in 2015.

CORPORATE PROFILE



Continuing its success in 2015, BİM maintained its leadership position in the food retail industry.

IN 2015, BİM'S TOTAL INVESTMENT AMOUNT ON A CONSOLIDATED BASIS WAS TL 500 MILLION. THE ENTIRETY OF THIS SUM WAS FINANCED WITH THE COMPANY'S EQUITY CAPITAL.

Launched in 1995 with 21 stores, BİM Birleşik Mağazalar A.Ş.'s main commercial activity is the sale of staple foods to consumers at the most reasonable prices possible. With a product portfolio of approximately 600 products, the Company has become the first example of the "hard discount" concept in Turkey. Each year BİM revises this portfolio, introducing new products or removing old ones in line with changing customer expectations and requirements.

As of year-end 2015, with its 43 separate regional offices and 4,972 stores, BİM maintained its leadership position in the food retail industry. With the new stores, the store portfolio of the Company has increased by 10.5%. In addition to its operations in Turkey, BİM continues to expand operations in Morocco and Egypt at a rapid pace. The Company opened 56 new stores in Morocco in 2014, increasing the number of BİM stores there to 279. In Egypt, as part of its second foreign venture, BİM opened 59 new stores, reaching a total of 140 as of year-end.

In 2015, the Company's total investment amount on a consolidated basis was TL 500 million. The entirety of this sum was financed with the Company's equity capital.

BİM will continue to make these investments over the upcoming period. In 2016, the total investment value is expected to rise to TL 700 million.

Having introduced the "private-label product" approach in Turkey, BİM's high-quality private-label products are generally market leaders in their respective categories. Each year BİM develops and improves its portfolio of these products. The turnover ratio of the Company's private-label products was 70% in 2015, contrasting with a ratio of 46% in 2005, the year of BİM's initial public offering. Additionally, BİMcell, the BİM brand for the mobile communications segment, had a markedly successful year, expanding its subscriber in 2015. BİMcell is a mobile phone virtual operator which provides prepaid mobile services.



BİM is planning to reach a total of 48 regional offices with the opening of 5 new warehouses over the coming year. In 2016, BİM aims to set up more than 600 new stores in Turkey. The target is to open 80 new stores in Morocco, and 100 in Egypt.

Ranking 3rd in the category of 'Companies that Create the Most Employment' for two consecutive years in the 'Turkey's Top 500 Private Companies' survey organized by Capital magazine, BİM continues to demonstrate its significant role in providing employment in the Turkish economy.

BİM launched FİLE, its new retail model, in March 2015. Combining discount grocery shopping with the supermarket concept, FİLE provides a variety of products in a modern market context, housed in larger spaces compared to discount markets. As of the end of 2015, FİLE operates in 9 stores.

Through FİLE, BİM introduced new concepts with special sections such as the patisserie, meat- charcuterie, fresh food and personnel care are the most distinct characteristics of these new chain stores. Aiming to be an alternative also for customers who want to reach reasonable price and high quality products, apart from basic foodstuffs, FİLE is expected to open 15 stores in 2016, reaching 24 stores in total.

Aiming to sustain the healthy growth of new stores in 2016, BİM will maintain its effective cost management policy and will continue to pay particular attention to satisfying its customers. The Company will continue to carry out its activities by offering the best service possible, and by fostering trust-based relations with its shareholders and especially with suppliers.

IN 2015, 470 BİM STORES IN TURKEY, 59 BİM STORES IN EGYPT AND 56 BİM STORES WERE OPENED IN MOROCCO. 9 FİLE STORES, WHICH BİM PUT INTO SERVICE, WERE ALSO MET THE CUSTOMERS.

SERVICE PHILOSOPHY



BİM considers the well-being of its customers more important than high, short-term profits. BİM offers the highest quality products at the most affordable prices.



For BİM, customer benefits are more important than short-term high profit.

BİM displays products in their original cardboard boxes to avoid unnecessary expense.

BİM offers the highest quality products at the most affordable prices.

BİM avoids excessive advertising that could lead to an increase in the price of its products.

BİM has a no-questions-asked return policy.

BİM offers high-quality products manufactured especially for its customers.

BİM rents the most affordable stores at points that are closest to its customers.

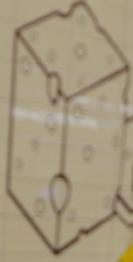
BİM stores are decorated as plainly as possible.

BİM customers pay for the product itself, not the packaging or the brand.

BİM employs a sufficient number of personnel to provide uninterrupted service at its stores.



Et / Şarküteri



YAGSIN KIRMIZI
17,90 ₺

11,90 ₺

19 ₺

13,30 ₺

14,90 ₺

BİBERLİ YEŞİL Z
15,90 ₺



MILESTONES

In March 2015, BİM introduced a new retail model. FILE provides customers with a broader range of products, housed in larger spaces.



1995
Commenced operations with 21 stores.



1997
Released Dost Süt, the first private-label product in Turkey. Opened its 100th store.



2001
Opened a further 87 stores despite the economic crisis.



2002
Began accepting credit card payments.



2003
Net sales surpassed TL 1 billion.



2004
Opened its 1,000th store.



2005
Publicly offered 44.12% of its shares.



2008
Increased number of stores to 2,285 by opening 551 new stores. Achieved 42% growth in turnover.



2009
Commenced its first foreign operation by opening stores in Morocco.



2010
Became market leader with a turnover of TL 6,574 million.



2011
Reinforced its position as leader of the retail industry with a turnover of over TL 8 billion.



2012
Launched BİMcell.



2013
First stores launched in Egypt, as its second foreign operation.



2014
Number of BİMcell subscribers reaches over 1 million.



2015
FILE, BİM's new retail model, opened its first stores.



INVESTOR RELATIONS

Despite its considerable investments, BİM successfully distributed a high rate of dividends to its investors.

BİM IS ONE OF THOSE RARE COMPANIES THAT CAN ACHIEVE STRONG GROWTH WHILE STILL BEING ABLE TO DISTRIBUTE HIGH DIVIDENDS TO ITS INVESTORS. THE COMPANY DISTRIBUTED TL 273 MILLION, OR 69% OF 2014 PROFITS, IN TWO CASH INSTALMENTS IN 2015.

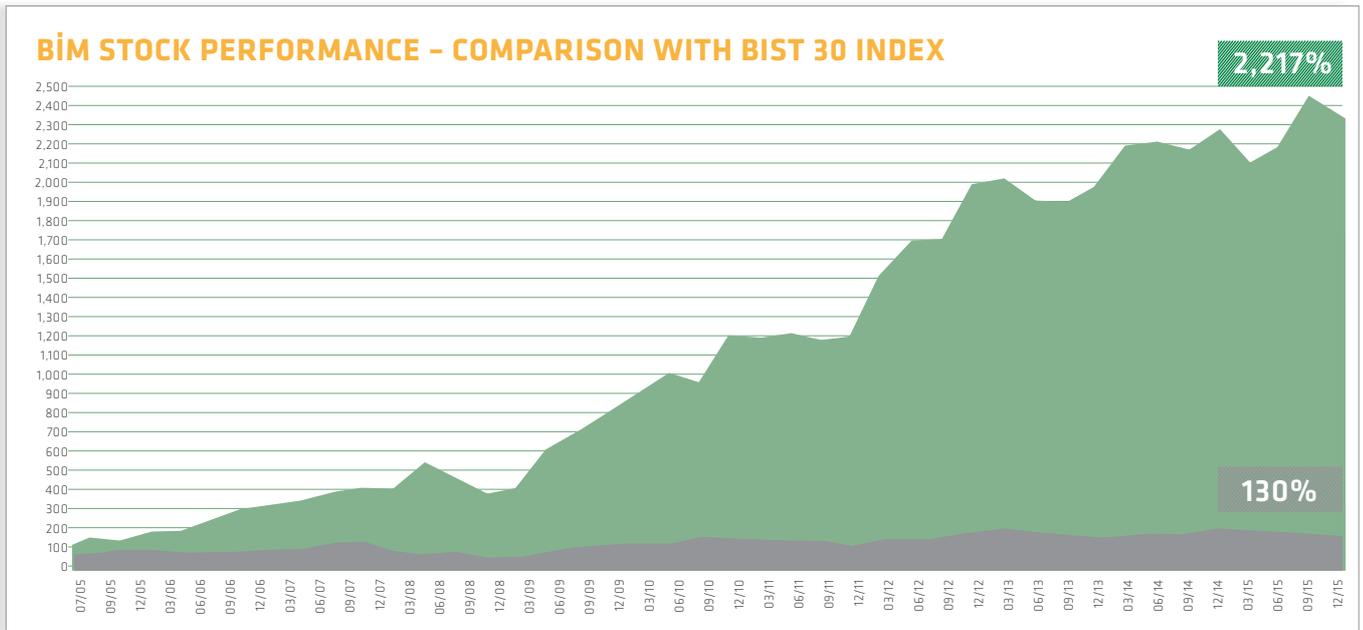
Since its initial public offering (IPO) in July 2005, BİM has unfailingly provided added value to its investors. Company shares have gained value by 2,217% since the IPO, reflecting a performance which is high above BIST 30 index yields. Furthermore, BİM continued to distribute high rates of dividends to its investors despite the considerable amount of investments it has made.

The company has provided a value gain of 2,217% to its investors over the past 10.5 years since the IPO, with the figure reaching 130% on the BIST 30 index, where BİM is traded. The price of Company shares has undergone a 22-fold increase since BİM went public.

BİM set up an Investor Relations Unit within the Finance Directorate in 2005. This unit operates in accordance with the legislation of the Capital Markets Board with the aim of providing the most accurate and complete information to its investors. In 2015, the unit made a total of 49 material event disclosures, and provided information to investors and stakeholders at 4 investor conferences and approximately 100 meetings.

According to the dividend distribution policy determined in 2007 and updated in 2014, a minimum of 30% of the distributable profit yielded during the related year is to be dispensed.

BİM is one of those rare companies that can achieve strong growth while still being able to distribute high dividends to its investors. The Company distributed TL 273 million, or 69% of 2014 profits, in two cash installments in 2015.



Dividends (TL MILLION)

▨ DIVIDENDS ▨ NET PROFIT^(*)



SINCE ITS INITIAL PUBLIC OFFERING IN JULY 2005, BİM HAS CONSISTENTLY PROVIDED ADDED VALUE FOR ITS INVESTORS: THE VALUE OF THE COMPANY'S SHARES HAS RISEN BY 2,217% SINCE JULY 2005.

^(*) Indicates the previous year's after-tax net profit constituting a basis for dividends.



MESSAGE FROM THE BOARD OF DIRECTORS

In 2015, we continued to solidify our industry leadership, building on the strength we have gained in previous years. Our sales reached the targets set at the beginning of the year.

IN 2015, OUR 21% INCREASE IN SALES GENERATED SIGNIFICANT PROFITABILITY AS WELL. DURING THE SAME PERIOD, WE SHOWED 40% GROWTH IN OPERATIONAL PROFITABILITY (EBITDA) AND 48% GROWTH IN NET PROFIT.

Although there were expectations of improvements in the global economy compared to the previous year, the quest for direction appeared to continue throughout 2015. While dissonance in monetary policies imposed fluctuations, particularly in exchange rates, 2015 saw an increasing downward pressure on oil prices as well as a continued decline in commodity prices: while economic performance in 2015 was positive, it fell below expectations. Throughout 2015, the general economic outlook was weak; although the US economy sustained its five-year rise, bumps in the Euro zone and Asian economies caused a loss of momentum.

Despite a year in which there were two general elections, escalated terrorist activity and a refugees issue, Turkey sustained above-expectation growth in the last quarter of the year as well as throughout the first nine months. Noteworthy in the first nine months of 2015 were that domestic demand remained consistent, investments in both the private and public sector continued, and there was increased activity, particularly

in the service industry. While exchange rates continued to escalate this year - due to expectations of rising interest rates in the face of political uncertainty lasting until November 2015, expanding terrorist activity and momentum in the US economy - there was no significant corresponding rise in interest rates, inflation or unemployment. Growing by 2.9% in 2014 and by 4% in 2015, the Turkish economy is expected to grow by approximately 4% in 2016 due to greater political stability and decreasing oil prices. As BIM finances operations with its own resources, we do not have any FX positions and do not utilize any bank loans; instability in these markets did not have any material negative impact on our Company.

We continued to lead the sector in 2015, in a stronger position than in previous years. Moreover, our sales performed in line with the targets we had set at the beginning of the year.

In 2015, we also maintained the consistent growth strategy that we have been implementing since our establishment. We will also continue with a similar rate of new store openings in our domestic and international operations. As of the year-end, we provide services from 4,972 BİM stores across Turkey. In 2015, we opened 470 new locations in Turkey. This figure is equivalent to 10.5% growth in number of stores. The combined performance of our new and existing stores achieved a total sales growth of 21%. In addition, the opening of 2 new regional offices further bolstered our infrastructure. In 2015, we made total investments of TL 500 million on a consolidated basis, and aim this figure to increase to TL 700 million in 2016.

In 2015, our increase in sales generated significant developments in profitability as well. During the same period, we showed 40% and 48% growth in operational profitability (EBITDA) and in net profit, respectively. It is significant that this profitability was achieved alongside a 21% increase in both growth and investments.

In addition to our domestic operations, we are expanding our international operations successfully. In 2015, we opened 56 new stores in Morocco and increased the total number of BİM stores there to 279. We also opened 59 new stores in Egypt, reaching a total of 140 locations in the country.

Since its initial public offering in July 2005, BİM has unfailingly provided added value for its investors. The Company consistently demonstrates a strong performance; furthermore, the value of the Company's shares has risen by 2,217% since July 2005. This number is high above BIST 30 index yields. Furthermore, BİM continued to distribute high rates of dividends to its investors despite the considerable amount of investments it has made. In 2015, the amount of dividends BİM paid in cash was TL 273 million, equivalent to 69% of its 2014 profit.

The year 2015 marked the launch of a new retail concept for BİM. Our FİLE brand stores with a modern supermarket concept began operating in March 2015. Our new retail model offers an expanded inventory, special sections such as patisserie, meat- charcuterie, fresh food and personnel care that has quickly gained consumers' attention. With 9 stores opened throughout İstanbul as of year-end 2015, FİLE draws notice with its specialized approach and its 'modern neighborhood supermarket' concept, as well as an average of 4,000 different products, 30% of which are private labels.

In 2015, the number of personnel working for BİM increased by 9%. Currently, the number of part-time and full-time personnel working for the Company is as follows: 30,232 in Turkey, 1,201 in Morocco, and 1,035 in Egypt. Furthermore, in the "500 Largest Private Companies in Turkey Survey" organized by the Capital magazine in two consecutive years, BİM was ranked 3rd in the category of "Companies that Create the Most Employment." The employment created by BİM, has a positive impact on the wider economy. With the new stores and region offices that will be opened in 2016, BİM will continue to contribute significantly to the country's economy.

In our activities in the field of mobile communications and the provision of pre-paid services, BİMcell managed to expand its client base in 2015 to over 1 million subscribers.

BİM CONTINUES BOTH ITS DOMESTIC AND OVERSEAS OPERATIONS SUCCESSFULLY. WE OPERATE WITH 279 STORES IN MOROCCO AND 140 STORES IN EGYPT.

Over the coming year, we will continue to maintain these levels of consistent and efficient growth. BİM is planning to open more than 600 BİM stores in Turkey in 2016. Additionally, BİM is planning to make investments worth consolidated TL 700 million in domestic and foreign operations over the same period. We will continue to open stores abroad, with 80 to be set up in Morocco, and 100 in Egypt. With the objective of opening 15 new stores in addition to the 9 stores opened in 2015, we intend to operate 24 FİLE stores in 2016. In addition, increasing employment will continue to reflect our overall growth.

Since the day we were founded in 1995, we have achieved steadily impressive growth. There is no doubt that our employees are the crucial element of this success, and we believe that we will develop sustainably in our journey to success along with our staff, suppliers, customers, and shareholders.



MESSAGE FROM THE EXECUTIVE COMMITTEE

Introduced in 2015, FİLE stores draw attention with their specialized approach, 'modern neighborhood supermarket' concept and wide variety of products.

OUR STABLE STRUCTURE ALIGNED WITH OUR SIMPLE, STRAIGHTFORWARD BUSINESS MODEL GENERATES HIGH CUSTOMER LOYALTY.

Over the course of 2015, BİM has shown high levels of growth performance and continued to lead the sector. What began in 1995 with just 21 stores has developed into something much greater, thanks to our commitment to offering high-quality products to our customers at consistently reasonable prices and with superior services. Our sales increased by 21% in 2015, and the 76% growth we achieved in the past three years reflects the success of our vision.

As of year-end 2015 we are providing services to customers from our 4,972 stores across Turkey. We opened two regional offices and 470 new stores in 2015, and thus reinforced our presence in the market. We opened 9 stores under our new retail concept, FİLE. Besides our operations in Turkey, we are running successful operations in Morocco and Egypt, and these projects are growing at a rapid pace. Having opened 56 new stores in Morocco, we now operate 279 locations there. In Egypt we operate 140 stores, and had opened 59 new outlets by year-end.

We are further exploring opportunities in new markets, consistent with our vision of becoming an important international player in the retail sector.

Our continued growth, 21% in 2015, and our high profitability figures demonstrate a healthy growth line. In the same period, we raised our net profits by 48%.

Activities in the area of mobile communications through our brand BİMcell, which was introduced in 2012, met with great enthusiasm from our customers. In this short period, the number of subscribers of BİMcell has reached more than 1 million, with a subscriber base that is expanding day-by-day.

We launched our new retailing model FİLE in March 2015. With the store approach well focused on its subject, offering many sorts of products together, FİLE stores attract attention with a modern supermarket perception in spaces wider in square meters compared to discount stores.

With FİLE that offers larger shopping areas to customers, BİM has brought innovative concepts, as well. Special service sections such as bakery, charcuterie-meats, fruits and vegetables and personal care, stand out as the most prominent features of the new store chain. We are confident that we will reach the same success in our new concept, just like we have done in the high discount model with FİLE that has won admiration from consumers since the first day.

In spite of the noticeable macroeconomic changes and fluctuations in foreign currency and interest rates in this sector, there was no negative impact on demand due to strong domestic dynamics. The food retail sector has managed to resist these influences and has maintained strong growth momentum. Despite the fact that the share of organized retailing is just below 50% of the market, the segment's annual growth shows the extent of potential of the sector.

Store openings in the retail industry continued to increase in 2015. Discount chains, in particular, played an important role in this trend. Mergers and acquisitions also continued in 2015, a reflection of the industry's divided structure.

The Company's human resources are largely recruited internally. Currently, a high proportion of our management staff is composed of employees who started their careers in BİM or who have worked for the Company since its foundation and have worked their way up through superior performance. In order to maintain the corporate culture which we have created over

the past 20 years and to create a sustainable loyalty to our Company among our staff, we prefer to pursue organic growth. BİM does not utilize bank loans since it finances its operations with internal resources, and for this reason the Company does not have any foreign currency deficit or surplus. Our susceptibility to negative developments in the markets has been reduced as a result.

Thanks to its growth rate in the prior year, BİM was ranked among the Top 10 in the Fortune 500 Turkey list, ahead of many of the retail giants on the global lists. According to the January 2016 edition "Global Powers of Retailing" report issued annually by Deloitte, BİM was ranked 153rd among the top 250 retail companies in the world. In addition to being the only Turkish company among the top 250 global retail companies, BİM is also the 21st fastest-growing retailer.

BİM's solid structure and simple business model has encouraged a high level of customer loyalty. Taking advantage of being the first player in the "high discount" market well, BİM reflects all discounts in its prices through a single pricing model. This message is conveyed well to consumers, and as a consequence, the number of daily customers in 2015 reached 3.4 million people, representing an increase of 10%.

In 2015, like we did in the previous years, we will continue to open stores in other countries. BİM's target for 2016 is to open more than 600 new stores in Turkey and 80 new stores in Morocco, along with 100 more in Egypt. Furthermore, we aim to increase the number of FİLE stores to

IN SPITE OF THE NOTICEABLE MACROECONOMIC CHANGES AND FLUCTUATIONS IN FOREIGN CURRENCY AND INTEREST RATES IN THIS SECTOR, THERE WAS NO NEGATIVE IMPACT ON DEMAND DUE TO STRONG DOMESTIC DYNAMICS.

24 by the end 2016, with the opening of 15 additional stores. In 2016, we also expect to increase the number of our regional offices to 48, from 43 in 2015, by opening 5 more regional offices. We also intend to open a third regional office in Morocco in 2016. As of January 1, 2016, we opened our second regional office in Egypt. BİM's total investment amounted to TL 500 million in 2015 is expected to reach TL 700 million in 2016.

We will continue with dedication and commitment to maintain the success of our past since 1995 in existence. It is our duty to thank all the employees, suppliers, and shareholders who have accompanied us on our path.



SHAREHOLDERS STRUCTURE AND BOARD OF DIRECTORS

Shareholders Structure of BİM Birleşik Mağazalar A.Ş.

	2015	2014
Mustafa Latif Topbaş	14.8%	15.1%
Ahmet Afif Topbaş	9.4%	9.4%
Free Float (Other)	70.9%	69.4%
Non-public Offering (Other)	4.9%	6.1%
	100%	100%

In the 2014 Annual General Meeting held on April 15, 2015, the existing members of the Board of Directors were re-elected for another year until the 2015 AGM. There were no changes in the Board of Directors and in the Executive Committee over this period. The members of the Board of Directors and Executive Committee hold first degree signature authorization, with the limits of their authority being specified by the Board of Directors and registered and announced in the Trade Registry Gazette dated May 14, 2015. Biographies of the Company's Board of Directors and Executive Committee members are listed below.

Mustafa Latif Topbaş

Born in Istanbul in 1944, Mustafa Latif Topbaş began his career in 1961 as partner and executive at Bahariye Mensucat A.Ş., a family-run business in the textile industry. In subsequent years, he served as founder and executive of various industrial and commercial companies. In 1994, he became a founding partner of BİM and

was appointed as Deputy Chairman of the Board of Directors. He has served as Chairman of the Board of Directors since 2006, and also as Chairman of the Executive Board since January 2010.

Mahmud P. Merali

Mahmud Merali was born in 1952 in Mombasa, Kenya and completed his higher education there. Having completed his professional education and training in the UK, he began his career in England as an audit expert and joined one of the largest firms of auditors specializing in publicly traded companies. He has over 40 years' experience in auditing, accounting, taxation and business advisory. He is a Fellow of the Institute of Chartered Accountants of England & Wales (ICAEW), Certified Public Accountant (Kenya), Fellow of the Zambia Institute of Chartered Accountants (ZICA) & an Associate member of the Institute of Taxation (ATII-UK). An Executive partner of the Meralis Group, Mahmud is the regional head for the EMEA region and serves as the Group's International & Financial consultant. Mahmud serves as consultant to multi-

national companies in the UK, UAE and East Africa. Since January 2005 he has been a member of the BİM Board and is an invitee to the Corporate Governance Committee, the Audit Committee & the Early Detection Risk Committee.

Jos Simons

Born in Raalte in the Netherlands in 1945, Jos Simons graduated from the top Management Course at the University of Nijenrode. With a proven track record of over 40 years in the retail industry, he has served as General Manager at Aldi in the Netherlands for over a decade, and has managed his own consultancy company for the retail market. He was General Manager for five years at the Vendex Food Group, one of the largest food retailers in the Netherlands at the time. In 2001, he assumed the position of Chief Operating Officer at BİM, and in January 2006 became the CEO. In April 2008, he was appointed as a member of the Board of Directors. As of January 1, 2010, he has left his position as CEO, and has since then continued to work for BİM as a member of the Board of Directors and as a consultant.

Ömer Hulusi Topbaş

Born in Istanbul in 1967, Ömer Hulusi Topbaş began his career as a sales executive at Bahariye Mensucat A.Ş., where he worked from 1985 to 1987. Employed at Naspak Ltd. from 1997 to 2000, he then served as Purchasing Manager for Seranit A.Ş. between 2000 and 2002. Since then he has been the General Manager at Bahariye Mensucat A.Ş., and has also been serving as a member of the Board of Directors at BİM since June 2005.

Mustafa Büyükbacı (Independent Member)

Mustafa Büyükbacı has a BSc in Industrial Engineering from Boğaziçi University. Following his graduation in 1984, he continued postgraduate studies and worked as a research assistant at the same department for a period of time. He has assumed executive roles in capital markets and investment companies since 1989. He has concentrated on the fields of asset and portfolio management and investment, and joined Yıldız Holding as Founding General Manager and Member of the Board of Directors of Taç Yatırım Ortaklığı in 1993. In addition to these posts, during his time at Yıldız Holding he worked as a capital markets and finance consultant on monetary, capital, and commodity markets, as well as a member of the Board of Directors for Family Finans and other.

Talat İçöz (Independent Member)

Born in Bursa in 1947, Talat İçöz graduated from Izmir Maarif Koleji in 1964-65, and received a BA in Business Administration from Middle East Technical University in 1969. He continued his studies at the Faculty of Architecture of the same university, and received an MSc in City and Regional Planning in 1971. During his studies, between 1966 and 1972 he worked at Tuzcuoğlu Uluslararası Nakliyat, and completed his military service in 1973. In 1973, he worked as Investment Projects Manager at Ercan Holding A.Ş., and contributed to projects such as the MAN Truck & Bus project, the Mahle piston expansion project, and the İstanbul Segman Sanayi investment project. He became the Vice General Manager of Burdur Traktör Şirketi in 1978, and the General Manager of Rekor Kauçuk A.Ş. in 1981. Between 1984 and 1991, he served as the Founding Partner, Member of the Board of Directors, and General Manager of

ÖZBA A.Ş. İçöz was elected Member of Parliament from Istanbul in 1987, and has worked as Vice President for the Anavatan Party as well as member of the Constitution, Commerce, and Technology commissions at the Turkish Grand National Assembly. In 1991, he became the Founding Partner of Çarşı Menkul Değerler A.Ş. Between the years 1995 and 2000, he was engaged in commercial activities abroad, and between 2002 and 2009 he served as a Consultant at Yıldız Holding A.Ş. Since 2010, he has been giving lectures on the Turkish Business Environment at the Department of Business Administration at İstanbul Bilgi University. Talat İçöz is English and is married with two children.

THE EXECUTIVE COMMITTEE**Mustafa Latif Topbaş**

Born in Istanbul in 1944, Mustafa Latif Topbaş began his career in 1961 as partner and executive at Bahariye Mensucat A.Ş., a family-run business in the textile industry. In subsequent years, he served as founder and executive of various industrial and commercial companies. In 1994, he became a founding partner of BİM and was appointed as Deputy Chairman of the Board of Directors. He has served as Chairman of the Board of Directors since 2006, and also as Chairman of the Executive Board since January 2010.

Galip Aykaç

Galip Aykaç was born in 1957 in Yozgat Akdağmadeni. Having more than 18 years of professional experience in various executive positions at Gima, Turkey's first organized retail chain, Aykaç started to work for BİM in 1997 as Purchasing Director. Having become a member of the Operations Committee as of March 2000, and then the Chairman of the Operations Committee (COO) in November 2007, Aykaç is currently the Chairman of the Operations Committee (COO), and Member of the Executive Board (appointed in January 2010). In Retail Sun Awards, the most prestigious awards of the retail sector, he received "The Most Successful Professional Manager in 2010" Award. Galip Aykaç is also; a member of Turkish Retailing Council established by The Union of Chambers and Commodity Exchanges (TOBB); Board Member of Turkish Council Of Shopping Centers And Retailers; Vice President of Food

Retailers Association, Board Member of TOBB-GS1 Turkish Committee; and Board Member of The Federation Of All Shopping Centers And Retailers. Furthermore, in the evaluation made by the Fortune magazine, Aykaç ranked third among the most successful business persons in 2013 and 2014, while ranking second in 2015. In Xsights Research and Consulting Firm's survey made in 2013 for Marketing Turkey Magazine, Aykaç ranked 7th among "The Most Respected Executives of the Business World".

Haluk Dortluoğlu

Born in Akşehir in 1972, Haluk Dortluoğlu graduated from Boğaziçi University Business Administration Department in 1995. Dortluoğlu later worked for the international audit firms Arthur Andersen, and Ernst&Young for about eight years. In 2003, Dortluoğlu started working for Turkish Airlines as Accounting Director. In November 2005, he became the CFO of BİM and also assumed tasks as a member of the Operations Committee between 2006 and 2009. Completing the Advanced Management Program of Harvard Business School in 2007, Dortluoğlu was granted the "The CFO of the Year" award in 2009 by Finance in Emerging Europe, a business magazine published in Europe under the structure of Frankfurter Allgemeine Zeitung Group. According to the results of the research made by Thomson Reuters Extel in the field of investor relations, Dortluoğlu was chosen "The Best CFO in Turkey" by the international corporate investors in 2014. In 2010, Dortluoğlu was appointed as a Member of the Executive Board of BİM, a position he still holds. Within the scope of the new business development approach, Dortluoğlu carried out the project and implementation process of Bimcell, a private label virtual operator application that was launched for the first time in Turkey's mobile communication sector, exceeding one million subscribers in the first two years after being launched. Having directed the whole process of conceptualizing and establishing the FILE - that opened its first store in March 2015 - as a new retailing model in the supermarket sector, Dortluoğlu still is the Chairman of the Executive Board of FILE. Since 2010, Haluk Dortluoğlu is the Chairman of the Board of Trustees of Boğaziçi Managers Foundation which was founded by a group of Boğaziçi University (Bosphorus University) graduates in 1996 with the aim of contributing to the leadership and managerial skills of the students and the graduates.



RETAIL SECTOR IN TURKEY

Half of Turkey's population consists of individuals under the age of 31. The high consumption potential of this demographic makes the retail industry very attractive.

BİM IS THE CLEAR LEADER IN THE INDUSTRY. ACCORDING TO THE 'GLOBAL POWERS OF RETAILING' REPORT PUBLISHED BY DELOITTE, BİM RANKED 153RD AMONG THE WORLD'S TOP 250 RETAIL COMPANIES.

Riding on the back of the Turkish economy's steady growth, the national retail sector has great potential. In 2015, the food retail sector maintained its growth momentum as the most invulnerable sector in the economy.

Half of the population in Turkey is 31 years old and younger, with high consumption potential. This demographic structure makes the retail industry particularly appealing. On the other hand, demographic indicators such as the high rate of urbanization and the increase in population density are also advancing the retail industry. The growth-oriented population structure will have positive effects on both the wider economy and this particular industry over the coming years. It is expected that the retail industry will grow at a rate higher than that of the national economy over the next five years.

Despite the fact that the share of organized retailing is just 50% of the market, the segment's growth shows the extent of BİM's potential. While the share of organized retailing is around 90% of the market in developed countries, in Turkey that

share is just below 50%, indicating that that modern retail channels have a high potential for growth in this country. Discount retailers claim the largest share of growth in this channel. In 2015, discount retailers such as BİM sustained double-digit growth rates - above industry averages - creating a driving force for the industry at large. Furthermore, it is expected that the average growth rate of the food retail sector will be 9% over the coming half-decade.

The high potential of the retail industry also invites competition. Both local and national retailers continue to grow at a rapid pace. This competition has resulted in a highly-segmented industry. In particular, growth in "hard discount" retailing, the segment in which BİM belongs, has become more apparent. A rapid increase in the number of stores as well as the industry's cost-oriented approach has made "hard discount" retailing more popular with households. Growth in this area is above the industry average. Selling space growth of 30% in discounted food retailing in 2015 indicates that growth in this format is leading the overall sector.



A key development in the industry was the enactment of the Law on Regulation of Retail Trade numbered 6585, published in the Official Gazette dated January 29, 2015, by the Ministry of Customs and Trade. The retail industry anticipated this Law, which regulates the establishment, operation and auditing of retail companies. Expectations are that the Law will have a positive impact with regard to regulating the industry, protecting consumer rights and maintaining certain standards.

Store openings in the retail industry continued to increase in 2015. Mergers and acquisitions also continued in 2015, a reflection of the industry's divided structure.

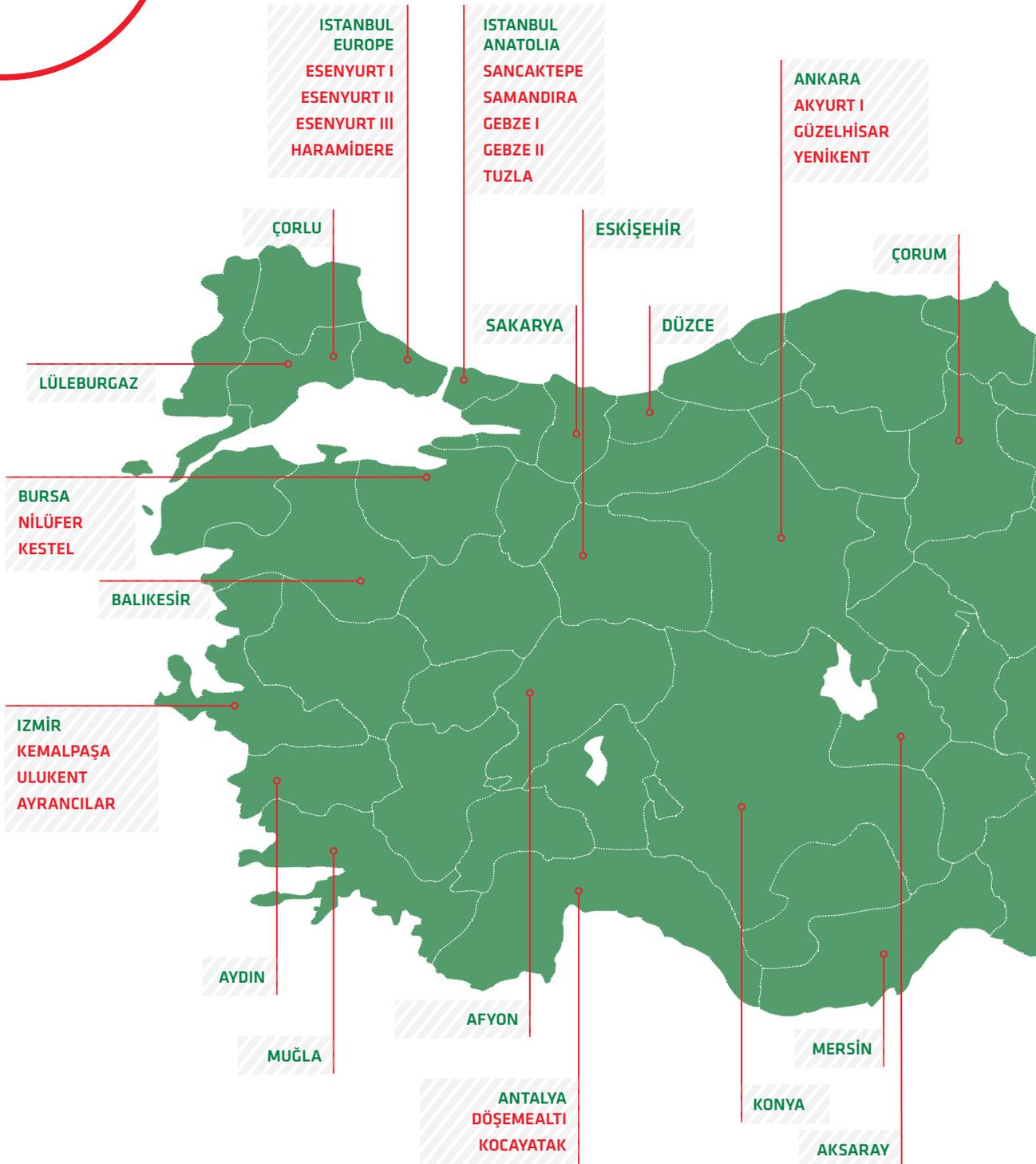
The retail sector in Turkey also has the potential for private-label products to become widespread. The turnover ratio of BİM's private-label products was 70% in 2015, but the overall average for Turkey was very low. BİM will continue to focus on private-label products in both BİM operations and in the new FİLE business concept.

The organized retail industry is also attempting to tackle the issue of unrecorded and therefore untaxed retail activities in the country. The organized retail industry plays an important role in putting these earnings on record. In addition, thanks to its close ties with other industries, the organized retail industry creates employment in the economy, both directly and indirectly.

BİM is the leader in the sector. According to the January 2016 edition of Deloitte's "Global Powers of Retailing" report which is published annually, BİM holds 153rd place among the top 250 retail companies in the world. Being the only Turkish company among these 250 firms, BİM is also the 21st fastest-growing retailer. Thanks to its high growth rate, BİM also moved up to 9th place in the Fortune 500 list.

To leverage the growth potential in the supermarket sector as well as in the hard-discount food retail industry, BİM converted its resources into investments, launching its supermarket model with the FİLE brand in March 2015; As of 2015, BİM now operates in both the hard-discount and supermarket sub-segments of the retail industry.

BİM'S DOMESTIC AND FOREIGN OPERATIONS





TURKEY

Logistic Center

43

Stores

4,972



EGYPT

Logistic Center

2

Stores

140



FiLE

Logistic Center

1

Stores

9



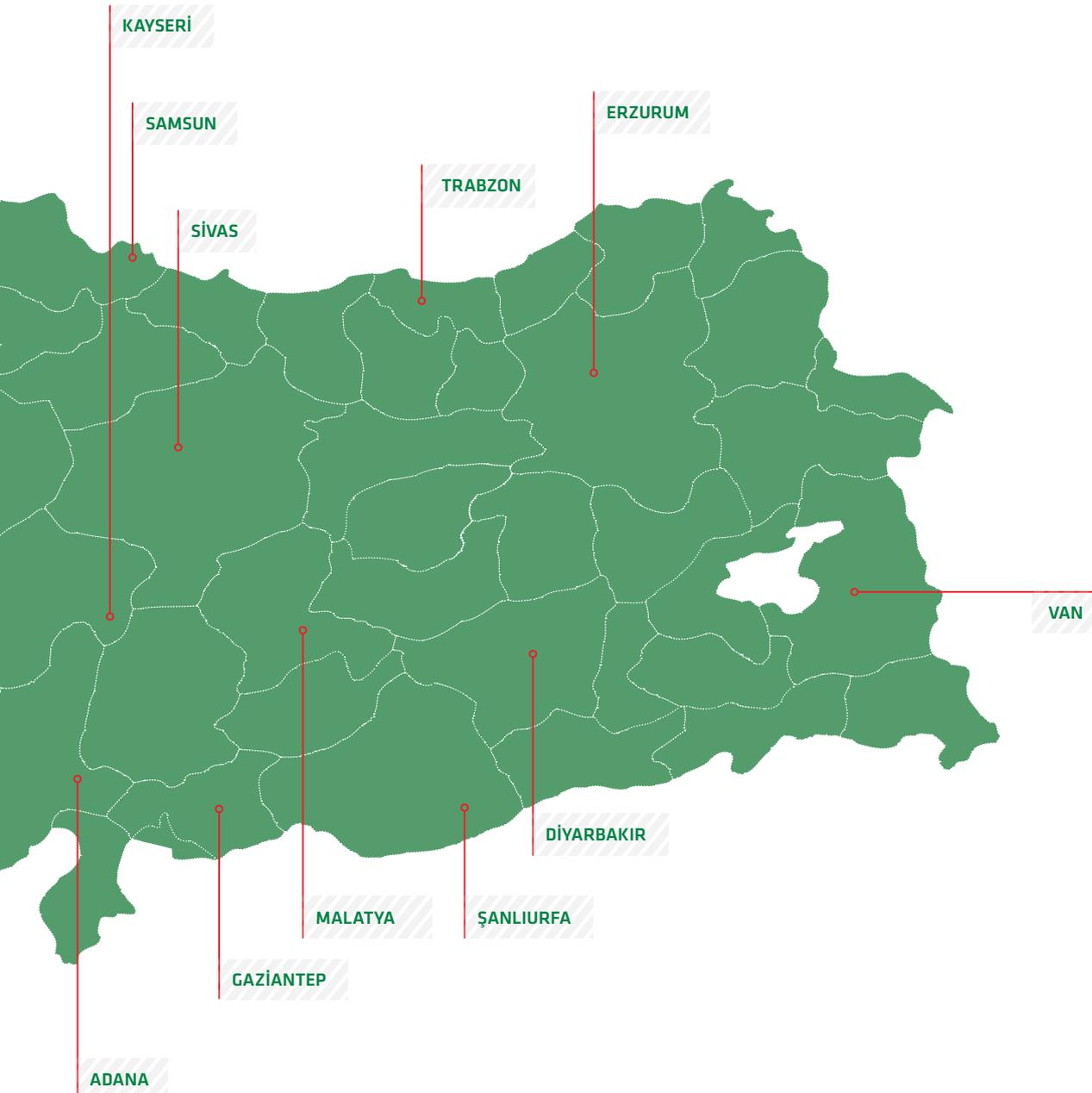
MOROCCO

Logistic Center

2

Stores

279





BİM DIFFERENCE IN RETAIL

BİM is organized around regional offices, all of which have their own management, employees and logistics warehouses.

THE FUNDAMENTAL POLICY OF THE BİM MODEL IS "EVERYDAY LOW PRICE". AS SUCH, THERE ARE NO PRACTICES SUCH AS PROMOTIONS, CAMPAIGNS OR LOYALTY CARDS, AND CUSTOMERS DO NOT NEED TO FOLLOW CAMPAIGNS FOR DISCOUNTS.

BİM is coordinated through regional offices with their own management, staff, and warehouses. The most outstanding feature of this system, which contributes to the guaranteed success the company has experienced, is that management is decentralized and simplified. BİM increased the number of its regional offices to 43 by opening two regional offices in Lüleburgaz/Kırklareli, and Tuzla/Istanbul in 2015. 37 of the 43 regional headquarters are Company property.

In 2016, BİM is planning to reach a total of 48 regional offices.

Hard Discount Concept

The main principle of the BİM business model is "Everyday Low Price". This means that there are no promotions, campaigns, or loyalty cards, and that BİM customers do not have to follow price discount campaigns. Instead, BİM offers its customers "Everyday Low Price," allowing prices to reflect the amount that BİM saves on the cost of goods. This policy is a key factor in creating customer confidence.

BİM carries out its operations based on the principle of keeping costs to a minimum, and of passing on gains to its customers through price reductions. As the pioneer of the "hard discount" model in Turkey, with its unique organizational structure, effective cost management applications, and limited product portfolio, BİM bases model around three main elements:

- To accelerate the decision-making and implementation processes by establishing a dynamic logistics and information network among the regional offices and stores and through the decentralized organizational structure,
- To avoid any unnecessary expenses that could lead to increases in prices, keeping management, store decoration, personnel, distribution, marketing, and advertising costs to a minimum,
- To maintain effective quality standard controls by having around 600 products in its product portfolio and ensuring that the products are offered at the best prices.

BİM is the primary purchaser of most of the products it sells in Turkey. By virtue of its high purchasing power, the Company encourages its suppliers to produce high-quality products at lower costs, and in this way manages to procure quality products at affordable prices.



Effective Cost Management

The amount BİM saves on costs through effective cost management is reflected in low prices without sacrificing the quality products and services. As a consequence, BİM increases its competitive advantage in the market every year.

BİM keeps its product portfolio limited and purchases high volumes at low cost from its suppliers. This is reflected in discounted product prices.

With the effective cost management policy which it implements across all operations, BİM is constantly improving its strong position in the organized retail industry. In this context, all logistics activities are carried out in-house, without any need for outsourcing.

BİM adheres to the following principles of cost management:

1. In general, stores are rented.
2. Instead of opening high-cost stores on main streets, outlets are located on side-streets in the vicinity of main streets.

3. Sufficient personnel are employed to maintain uninterrupted service, and through efficient human resources planning, part of the workload is supplied by part-time employees.

4. Store decoration is kept as simple as possible, and minimum shelving is used.

5. Promotion and advertising expenditures are kept to a minimum for what is required.

6. Products are distributed through its own logistics network.

7. The product portfolio is kept limited, and large quantities of purchases are made from the suppliers at low prices.

8. The product portfolio includes as many private-label products as possible.

9. Cost calculations are kept on a daily basis, and effective cost inspections are implemented, with immediate action taken whenever required.

10. New saving methods are continually explored, developed, and implemented.

High Inventory Turnover Rate

The inventory management at BİM is conducted through advanced, internationally-sourced software. This process is carried out by regional offices and is effectively monitored during its transfer from warehouse to store to customer. Automatic inventory control is made through the software used for this purpose, and results of counts carried out at stores and warehouses are regularly controlled by comparing with data from older records, a process carried out at regular intervals. Owing to the efficient inventory management implemented by BİM, the company's inventory shortage figures are well below the industry average.

Food Safety and R&D Activities

Through its provision of reliable products that continuously meet customers' needs in the most affordable and efficient manner, BİM always strives to improve product safety as company policy.



BİM DIFFERENCE IN RETAIL

Continuing its operations with a negative working capital, BİM provides its own financing through its cash collection capability.

AS BİM FINANCES BOTH ITS DOMESTIC AND OVERSEAS OPERATIONS WITH ITS OWN RESOURCES, THE COMPANY DOES NOT UTILIZE ANY BANK LOANS.

BİM will continue launching new products, most of which are private labels, in the coming period. To this end, 54 products were put on the shelves nationally as a result of studies and tests conducted together with suppliers in 2015. Although BİM offers around 600 products in total, and maintains this number in line with company policy, while simultaneously searching for new products that reflect changes in household consumption. A Quality Assurance Officer was appointed at the Purchasing Department to sustain our superior quality. The Quality Assurance Officer is responsible for conducting studies into purchased products to maintain standards in accordance with established strategies, following the legal procedures regarding packaging, legal changes and issues related to the product group, controlling the quality of products according to procedure, and applying tests when required and as planned, as well as maintaining sustainability in private-label product development and working toward preserving quality.

Financing Resources and Risk Management Policies

By carrying out activities with negative working capital, BİM finances itself through its cash collection. In addition to operational cash outflows, the amount of dividends paid in cash was TL 273 million, and the sum of investments on a consolidated basis was TL 500 million in 2015. In 2016, the target is to increase the sum of investments on a consolidated basis to TL 700 million.

BİM does not utilize bank loans since it finances both domestic and foreign operations with its own resources. Moreover, BİM does not have a significant amount of foreign currency deficit or surplus since most of the operations of the company are carried out in Turkish Lira. For this reason, possible changes in interest rates and in foreign currency values pose no significant risk factors for the company.

The Early Risk Identification Committee was established in 2014 to make early diagnoses regarding the risks that could endanger the existence, development and continued activity of the Company and implements necessary measures



to mitigate the identified risks. The Committee is tasked with presenting a bimonthly report to the Board of Directors regarding these possible risks and their respective solutions. The subsidiaries that are subject to consolidation are also under the supervision of the Internal Audit Unit.

The Internal Audit Unit carries out its activities under the aegis of the Audit Committee, structuring its tasks, including the preparation of consolidated financial statements, in accordance with any risk assessments made. There were no private or public audits during the period. In addition, there are no sanctions facing the company and its governing body due to any practices contrary to legislation.

Product Range

High quality and low prices constitute the basic criteria for defining the product portfolio at BİM. The products offered at the stores are carefully selected to meet the daily basic needs of a household. The BİM family has adopted a detailed and precise working method for selecting and pricing these products.

There are 600 products available in-stores, a model which remains in line with the “hard discount” concept. Changes in customer habits and behaviors are reflected in the introduction of new products. To this end, in 2015, new food and non-food products were introduced in all of our stores, most of which were private-label products. These private-label products comprise the fundamental components of the Company’s “hard discount” concept.

The products offered by BİM are divided into four categories:

Private-Label Products

BİM is the pioneer of private-label products in Turkey. Those that are offered at BİM stores are of a high quality, and their brands and formulae are owned solely by BİM, being produced only by suppliers selected by the Company. The most outstanding feature of these products is that their prices are 15% to 45% lower than those of similar products of the same quality. In 2015, the sales ratio of private-label products to total sales increased to 70%. The Company aims to increase its private-label sales rate every year.

Having introduced the concept of private-label products to the organized retail industry with “Dost Süt,” BİM attaches great importance to its activities in this field.

Spot Products

These are products with a long shelf-life that are not kept in stock for long periods and are offered to customers in weekly periods. Spot products increase the number of customers visiting stores when they are on offer, and increase the sales of standard listed products also.

Exclusive Products

These are branded products specifically designed for BİM.

Branded Products

Branded products are products which are widely-available in the market.



2015 ACTIVITIES

The growth rate of BİM in 2015 is around 21%. BİM raised its net profit by 48% in 2015.

IN 2015, BİM CONTINUED TO GROW CONSISTENTLY; TO STRENGTHEN ITS LEADING POSITION IN THE FOOD RETAIL SECTOR AND ACHIEVED FINANCIAL AND OPERATIONAL SUCCESS.

In 2015, BİM continued to strengthen its leading position in the food retail sector. Thanks to its successful business model, BİM maintained a steady rate of growth and increased its sales volume by 76% over the past three years. As in previous years, the company achieved its growth organically, and did not make any acquisitions in the sector. The growth rate of BİM in 2015 is around 21%; BİM raised its net profit by 48% in 2015.

BİM continued to grow steadily, was financially and operationally successful, and strengthened its leadership in the industry in 2015. In addition to its two new regional offices, the Company launched a total of 594 stores (470 BİM stores in Turkey, 56 in Morocco, 59 in Egypt, and 9 FiLE stores in İstanbul). Total store portfolio in Turkey grew by %10.5 in 2015. As of year-end 2015, with its 43 separate regional offices and 4,972 stores, BİM is still the most widespread retail chain store. The company, through effective cost management, has consistently increased the number of stores it runs, and the impact of additional regional offices on operational efficiency has also become clear.

BİMcell, introduced in March 2012, is a BİM brand for the mobile communications segment. Having expanded rapidly over just three years, BİMcell surpassed 1 million subscribers in a short time. BİMcell's population coverage across Turkey stands at 98%. The group offers "charging per second" and "pay as you go" alternatives in competitive packages, and for this reason its customers are staying loyal to the brand, and new clients are signing up every day.

BİM carries out transactions in Turkish lira and performs its operations and investments with its strong equity capital; thus, fluctuations in FX and interest rates do not affect the operations of BİM. Inventory losses and wastage also remain well below the industrial average.

BİM maintained its undisputable leadership in the Turkish retail sector by reaching a consolidated sales figures of TL 17.4 billion.



FILE





2015 ACTIVITIES

In 2015, BİM made consolidated investments amounting to TL 500 million, financed entirely by its own equity capital.

INVESTMENT POLICY AND 2015 INVESTMENTS

SINCE ITS INITIAL PUBLIC OFFERING, BİM HAS CONTINUED ITS INVESTMENTS WITHOUT INTERRUPTION.

The Company's preference for organic growth is reflected in its investment policy, investing primarily in the opening of new stores and the establishment of regional offices. In addition, the Company opens stores by renting instead of buying, and decorates the interiors as simply as possible, requiring low levels of investment. The added value gained from this cost management is reflected in product prices.

In 2015, BİM opened two regional offices in Lüleburgaz/Kırklareli and Tuzla/Istanbul, bringing the total number of regional offices to 43 in Turkey. In the aftermath of the launching of new stores in 2015 (470 in Turkey, 56 in Morocco, 59 in Egypt), total number of stores reached to 4,972 in Turkey, 279 in Morocco, 140 in Egypt.

Regional offices are strategically important for BİM. Properties are purchased in order to build warehouses and regional center buildings. As of year-end 2015, 37 of the 43 regional logistics centers are the property of BİM.

Since the day it began to be traded publicly, BİM has sustained a high level of investment without lowering pace. In 2015, the total amount of investment

made on a consolidated basis was TL 500 million. All of this investment was financed with the company's equity capital.

In 2016, BİM is planning to open about more than 600 new stores and five regional offices in Turkey, 80 new stores in Morocco, and 100 new stores in Egypt. In 2016, on a consolidated basis, investment is expected to total TL 700 million. Like in the previous years, all these investments will be financed using the Company's own equity capital without taking any loans.

Share Buyback Programs

With the idea that share values do not always reflect the Company's actual operational performance due to fluctuations in share prices, the Board of Directors implemented a share buyback program between March 5 and April 15, 2015. During the program, 446,115 shares corresponding to 0.15% of the total capital were re-purchased with the average unit value of TL 43.94 per share. These shares were then sold on the stock exchange on September 3, 2015 and trading revenue of TL 4,017,843 was recorded as part of the equity in the financial statements. A second buyback program was organized for similar reasons between June 3 and August 18, 2015; however, no re-purchases were made.



FILE CHAIN STORES



WITH THEIR SPECIALIZED YET BROAD RANGE OF PRODUCTS, FILE STORES OPERATE UNDER A BUSINESS MODEL THAT INCLUDES THE IMPLEMENTATION OF THE DISCOUNT CONCEPT TO THE SUPERMARKET SEGMENT.

Besides the hard discount food retail sector, in order to use the growth potential in the field of supermarkets, BİM launched its first store of FILE brand in March 2015 as a model that will be introduced to the field of supermarkets. Thus, in 2015, BİM will reach both the hard discount segment and the supermarket sub-segment of the retail sector.

BİM's new retail model, "FILE" branded stores, is structured as supermarkets and displays more stock items than the existing BİM stores. Private labels comprise 30% of the approximately 4,000 products offered at FILE.

FILE brings innovation to customers, including special sections such as the patisserie, meat- charcuterie, fresh food and personnel care. In addition, the "Everyday Low Price". practice at BİM is also applied at FILE. Practices such as promotions and loyalty cards are not offered at FILE either.

With a specialized yet wide variety of products, the 'modern neighborhood supermarket' concept, and a larger shopping space than those of the usual discount stores, FILE stores draw significant attention from consumers who wish to shop in a more spacious area.

Aiming to be an alternative for those customers who want to purchase low-priced but high-quality products beyond simple staple foods, the company plans to open 15 FILE stores in 2016.



OPERATIONS ABROAD AND CONSOLIDATION PRINCIPLES

MOROCCO



REGIONAL OFFICES

2

STORES

279

As its first foreign venture, BIM's Morocco operations is the first hard discount chain in the country. BIM owns 100% of the capital of the company that performs operations in Morocco.

Being located geographically close to Europe, Morocco is a more developed country in terms of culture, economy, infrastructure, and politics when compared to other African and Middle Eastern countries. Morocco, with a population of about 33 million, had an average growth of 4% during the last three years. The per capita income in the country is approximately USD 3,600.

Opening its first store in Casablanca on the 11th of April 2009, BIM's operations expanded rapidly, even more so following the opening of a second regional office in 2013. As of year-end 2015, the total number of stores in Morocco reached 279. In 2016, BIM's target is to open 80 new stores and 3rd regional office.



EGYPT



REGIONAL OFFICES

2

STORES

140

In 2013, the first BİM stores were opened in Egypt as the Company's second foreign operation. There are 140 stores in Egypt. BİM also owns the entire capital of the resident company here.

One of the largest countries in the Middle East with a population of 88 million, Egypt has shown average growth of around 2.5% during the last three years. The per capita income in Egypt is approximately USD 3,700. The second regional office was opened in the beginning of 2016, and 100 more new stores are planned for the new year.

The subsidiaries established in Morocco and Egypt were fully consolidated as of December 31, 2015, and their commercial activities are reflected in the financial statements.

LAUNCHED IN 2013 AND THE SECOND OF OUR OPERATIONS ABROAD, THERE ARE 140 STORES IN EGYPT AS OF THE END OF 2015.



2015 ACTIVITIES

BİM considers improving performance in existing stores as important as expanding its reach across Turkey.

STORES AND STORE MANAGEMENT

REGIONAL OFFICES

43

STORES

4,972

Operating all across Turkey is one of the priorities of BİM. To this end, the new stores opened by the Company are not localized in one particular region but are distributed evenly throughout the country. As a result of this, BİM has maintained its position as a profitable and rapidly-growing company over the course of 2015. Together with the new stores and the regional office, the number of stores in Turkey increased to 4,972 and regional offices to 43.

As well as focusing on expanding all across Turkey, BİM strives to improve its performance in existing stores. BİM attaches as much importance to improving this performance as to widening its network. In 2015, the increase in sales at stores that have been operating for more than two years was 11%.

One of the most important elements of cost management at BİM is the avoidance of unnecessary expenses for the decoration of stores and for product promotion. These gains are reflected in product prices. The concept we call "Every day Low-price" is the primary guiding principle of the Company. Furthermore, the no-questions-asked return policy implemented at stores keeps customer satisfaction high at all times. Under this policy, customers may return products they purchased without any reason and with no time restrictions.

The Company places a special emphasis on keeping prices low and quality high for all products sold in stores. The purchasing department ensures the quality and conformity of products through tests before putting products on sale. At the sales stage, product quality is also regularly controlled.

The decentralized structure of BİM allows for regions to manage and focus on their own business activities, resulting in enhanced productivity.





2015 ACTIVITIES

The group offers “charging per second” and “pay as you go” alternatives in competitive packages, and for this reason its customers are staying loyal to the brand, and new clients are signing up every day.

BİMCCELL

*BİMCCELL'S
POPULATION
COVERAGE ACROSS
TURKEY STANDS AT
98% AND NUMBER
OF SUBSCRIBERS
REACHED OVER
1 MILLION.*

Launching its activities in March 2012, BİMcell is the BİM mobile communications brand. BİMcell exceeded a total of 1 million subscribers. The Company's coverage across Turkey is 98%. With its “charging per second” and “pay as you go” alternatives, combined with its competitive and innovative packages, its customers staying loyal to the BİMcell brand. We believe that BİM's brand awareness will rise further in 2016, with the addition of advantageous and competitive new packages, as well as our other actions.

What is BİMcell?

- BİMcell is a new mobile communications service.
- With BİMcell, the quality and advantages customers expect from BİM are now available for mobile telephones.

What are BİMcell's values?

- Simple services.
- Transparency.
- No hidden prices.
- No terms and conditions.
- Low prices and high-quality service.

**Bir Dost paket
yeter!**

15 TL

HER YÖNE

500 DK

CEPTEN İNTERNET

1GB

**SINIRSIZ
KONUŞMA**
BiMcell'ilerle

1GB 4551

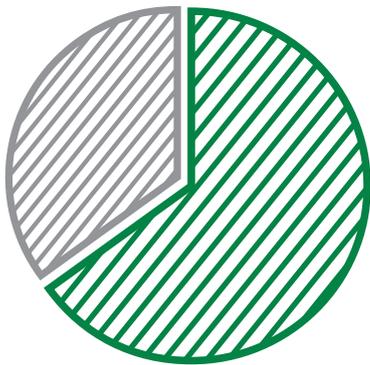
BIM CELL
Mobil İletişimin BIM cesi





HUMAN RESOURCES

Human Resources Profile



Female 36% Male 64%

Acutely aware of the fact that its success is strongly related to the motivation and happiness of its employees, BİM has been improving its human resources policies over recent years. BİM pays particular attention to recruiting from within the company. BİM has a decentralized structure comprising 43 regional offices, and as a result many career opportunities exist for young managers. As key members of the BİM family, employees convey the corporate culture to the customers with excellence. The Company offers its employees an environment in which they can develop themselves both professionally and personally; BİM encourages its employees to use their potential and abilities.

The BİM family is made up of young and dynamic workers in addition to experienced and qualified individuals

in senior management positions. One of the priorities of the Company is to appoint its own personnel to strategic positions, meaning that the majority of current executives are employees who either started their careers at BİM or have been at the Company since its foundation and were then promoted due to their outstanding performance. This policy ensures that management personnel embrace the corporate culture at the highest possible level. While BİM is fully aware that its steady rise in the industry has depended on the motivation of its employees, employees are equally aware that successful performance is the key to forging their desired career paths. BİM provides its young managers with an environment in which they can take initiative and develop their managerial skills. BİM serves as a training school for its future executives.



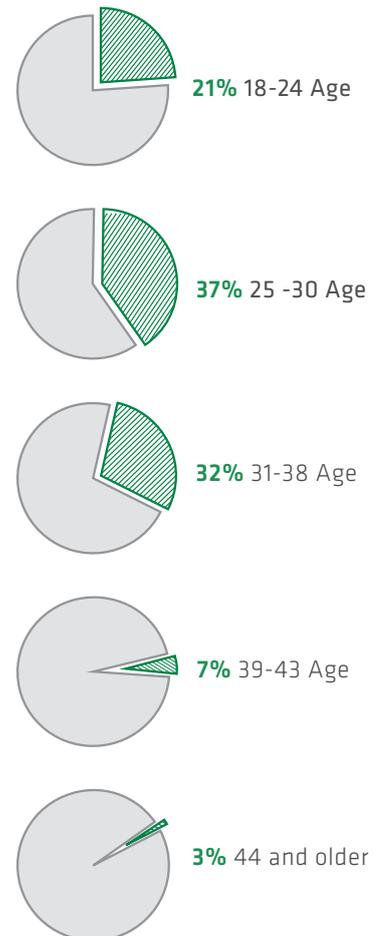
The organic growth model adopted by BIM is one of the most significant factors driving its success. Starting out with just 21 stores in 1995, the Company has reached a total of 4,972 stores in 2015 entirely through organic means. The model also plays an important role in the Company's human resources policy, instilling a strong corporate culture and high levels of loyalty, two of the most significant factors in the Company's success.

The employee turnover rate at the Company is below the industrial average. The main reason for this is the preservation of a solid corporate cultural structure and a vertical career policy which encourages employees.

In 2015, the number of employees at BIM increased by 17%. Currently, BIM and FILE has 30,232* full-time and part-time employees in Turkey, 1,201 employees in Morocco, and 1,035 in Egypt. The volume of employment that BIM generates has a positive influence on the whole of the country. According to a survey organized by Capital 500 in 2015, BIM was ranked third among the companies that create the most employment. BIM has achieved two consecutive successful years. Having managed to create employment opportunities even during the global crisis, BIM will continue to contribute to the national economy with its new stores and regional offices in 2016.

*As of December 31, 2015

Distribution of Employees by Age



BİM BİRLEŞİK MAĞAZALAR A.Ş. 2015 RELATED PARTY TRANSACTIONS WHICH PROPOUND CONTINUITY AND PENETRATION AND SIMILAR ACTIVITIES TO BE CARRIED OUT IN 2016

Objective

This report was prepared in compliance with the Series: II-17.1 and Article 10 of the Declaration of Corporate Governance Principles of the Capital Markets Board as per the above article, The Board of Directors is obliged to prepare a report regarding the terms and conditions of these activities in comparison to market conditions if the ratio of the sum of transactions executed by company with the related party within one accounting period is in proportion to the sum of the costs of sales calculated according to the latest annual financial statements published regarding acquisition activities and the sum of the revenues from selling activities is anticipated to exceed 10%.

The mentioned report was prepared to enable this inspection within the scope of the related legislation of the transactions executed by company with the related party in 2015 and to determine eligibility of the similar activities that will be carried out in 2016.

As specified in detail in the 26th footnote of the financial statements published regarding 2015 activities, the sum of goods and services acquisition activities carried out with related parties is equal to 12.4% of the sum of the costs of goods sold specified in the financial statements published.

Information about the Related Parties

The Company's related parties were specified within the scope of the International Accounting Standard N.24. Transactions executed by Company with the related party are being carried out for the procurement of the products (commercial goods) sold in stores. Information about the related parties are given below, and since they haven't been listed with a stock exchange and therefore their financial data are trade secret, their financial data haven't disclosed herein.

Ak Gıda A.Ş., is a company which produces sterilized milk products such as milk, cheese, and yogurt in a number of facilities in Turkey. Pursuant to the general purchase contract signed in 2001, purchase transactions of commercial goods were carried out with the aforementioned company in the 2015 fiscal year. Due to the sales of the Company's majority shares and changes in management, it was removed from the list of associated organizations in July 2015.

Başak Gıda Pazarlama San. ve Tic.

A.Ş., provides services for the supply and distribution of bread and bakery products. With regard to the General Purchase Agreement signed in 2008, commercial good procurement transactions were carried out in 2015 accounting period.

Hedef Tüketim Ürünleri San. ve Dış

Tic. A.Ş., provides services for non-food spot products. In 2015, commercial good procurement transactions were carried out according to the General Purchase Agreement signed in 2008.

Turkuvaz Plastik ve Temizlik Ürünleri

Ticaret A.Ş., mainly provides sales services of plastic bags and plastic cleaning tools. In 2015, commercial goods and carrier bag procurement transactions were carried out within the scope of the General Purchase Agreement signed in 2009.

Natura Gıda San. ve Tic. A.Ş.

, was established with the purpose of producing and selling ice cream in 2003. Within the 2015 accounting period, commercial goods were purchased from this company according to the General Purchase Agreement signed in 2004.

İdeal Standart İşletmeciliği ve

Mümesillik San. ve Tic. A.Ş. is BİM Birleşik Mağazalar A.Ş.'s 100% subsidiary, a company which provides services in the production of toothbrush and injection products. In the 2015 accounting period, toothbrush purchases were made from this company as part of the General Purchase Agreement signed in 2003.

Bahar Su San. ve Tic. A.Ş.'s field of activity is bottled water and mineral water production. Over the 2015 accounting period, commercial goods were purchased from this company as per the General Purchase Agreement signed in 2006.

Seher Gıda Paz. San. ve Tic. A.Ş., is involved with marketing milk and dairy products. Pursuant to the general purchase contract signed in 2003, purchase transactions of commercial goods were carried out with the aforementioned company in the 2015 fiscal year. Due to the sales of the Company's majority shares and changes in the management, it was removed from the list of associated organizations in August 2015.

Bahariye Mensucat San. ve Tic. A.Ş. established in 1951, is mainly involved in the production of woolen yarn and woolen textiles. Today, the company still carries out its activities in the same industry. Within the 2015 accounting period, BİM Birleşik Mağazalar A.Ş. purchased commercial goods from Bahariye Mensucat Sanayi ve Ticaret A.Ş. under the General Purchase Agreement signed in 2004.

Proline Bilişim Sistemleri ve Ticaret A.Ş. based in İstanbul, is a company which provides IT services. Within the 2015 accounting period, IT equipment and hardware were purchased from this company.

Sena Muhtelif Ürün Paketleme Gıda San. ve Tic. Ltd. is a company in business of marketing dried fruits and confectionery products. The headquarters of the company are located in İstanbul. In compliance with the General Purchasing Agreement signed in 2014, commercial good procurement transactions were carried out with the related corporation in the 2015 accounting period.

Avansas Ofis Malzemeleri Tic. A.Ş. is an E-Trade company with its headquarters in İstanbul. In business of marketing and selling of stationery and office supplies (wholesale and retail). In line with the General Procurement Agreement signed in 2013, commercial good procurement transactions were carried out with the related corporation in the 2015 accounting period.

Aktül Kağıt Üretim Pazarlama A.Ş. also has its headquarters in İstanbul. The Company is in business of manufacturing and trading of paper and paper products. In line with the General Procurement Agreement signed in 2014, commercial good procurement transactions were carried out with the related corporation in 2015 accounting period.

Aytaç Gıda Yatırım San. ve Ticaret A.Ş. with its headquarters located in Çankırı, the main activity of the company is the production and marketing of meat and meat products. In 2015 accounting period, commercial goods purchases were made regarding the general purchase agreement signed in 2015.

Related Parties and Transactions Executed in 2015

Related parties, and transactions executing of regarding goods and services from these companies in 2015 are shown in the table below:

Related Parties	Goods and Services Purchase Amount (TL thousands)	Proportion to the Cost of the Goods Sold
Başak Gıda	544,669	3.7%
Ak Gıda	512,769	3.5%
Turkuvaz Plastik	244,467	1.7%
Hedef Tüketim Ürünleri	211,136	1.4%
Aktül	118,571	0.8%
Natura Gıda	100,988	0.7%
Sena Paketleme	35,108	0.2%
Aytaç Gıda	29,280	0.2%
İdeal Standart	12,218	0.1%
Proline Bilişim	2,246	0.0%
Avansas	1,740	0.0%
Bahariye Mensucat	960	0.0%
Seher Gıda	705	0.0%
Bahar Su	-	0.0%
TOTAL	1,814,857	12.4%

Comparison with Market Conditions

Comparable Price Method

Comparable Price Method is a method used to determine a company's comparable sale/purchase price by comparing it to the market price quoted in the transactions carried out between the non-affiliated real or private persons who sell/purchase comparable goods or services. To use this method, the transaction between the related parties must be comparable to the transactions between the non-affiliated persons.

Most of the products BİM purchases from its affiliates are BİM's own private-label products. Brands, formulas and designs of the private label products are the property of BİM and produced by supplier chosen by the company. In 2015, the percentage of private-label products in total sales was 70%.

In accordance with company policy, we usually try to purchase any private-label product from more than one supplier. For this reason, comparability of the product purchased from an affiliated party can be measured with the Comparable Price Method by comparing the conditions of purchasing from the third party.

The assessment indicates no significant difference with respect to the "arm's length principle."

Transactional Net Margin Method

In situations such as doing business with only one supplier where the Comparable Price Method was not applied, the Transactional Net Margin Method was applied. In this method, the profit margin of the product in the store was compared to the BİM profit margin in general, and moreover, differences between the prices of the same products and equivalent products in the market were examined. It was concluded that the average sales margin of the products was not significantly different from company averages and their sales prices were not markedly different from the prices of the equivalent products in the market.

Result

In the report hereby presented by the Board of Directors in accordance with the standards specified in the relevant Communiqué of the Capital Markets Board, it is concluded that the comparison of the conditions of BİM Birleşik Mağazalar A.Ş.'s executed transactions, in 2015, with the affiliated parties specified within the scope of the International Accounting Standard N.24, did not show significant differences compared to the market examples, and that there are no issues with executing transactions from the affiliated companies under the same conditions in 2016.



CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

1. Declaration of Compliance in Accordance with Corporate Governance Principles

The Capital Markets Board of Turkey requires a declaration from all listed companies on the Borsa Istanbul A.Ş. regarding their compliance with the Corporate Governance Principles. In case of non-compliance, the companies are obliged to state the necessary explanations in their Corporate Governance Principles Compliance Report.

In this regard, we declare that all mandatory recommendations of the Corporate Governance Principles Serial: II-17,1, published on January 03, 2014, by the Capital Markets Board of Turkey, has been complied with. Regarding non-mandatory recommendations, we have continued to act in accordance with these. The company will strive to improve any deficiencies and continue its efforts to fully comply with the Corporate Governance Principles under changing circumstances. There is no conflict of interest arising from the non-complied issues of the Corporate Governance Principles specified below:

- General Assembly meetings are not open to the public, and participants at meetings are listed in the internal directive.
- Articles of Association include a provision stipulating that minority rights are to be respected in compliance with the regulations of the Capital Markets Law and Capital Markets Board. Accordingly, no less than one-twentieth of the capital was assigned for minority rights.
- Although there is no written “compensation policy” for company employees, policies regarding this issue are implemented in compliance with the labor law legislation, and the utmost attention is paid to protecting employee rights in practice.
- Although the company has not defined any model regarding the participation of stakeholders in management, independent members of the Board of Directors enable the representation of all the stakeholders as well as shareholders. Furthermore, the Investor Relations Department ensures coordination between the stakeholders and company management. The proposals and requests of these stakeholders are submitted for the information of management.
- The attendance status of members of the Board of Directors to meetings and the assessments of the Board of Directors regarding the effectiveness of committees are not included in the company’s annual report.
- There is no issue in the Articles of Association regarding the separation of the powers of the Chairman of the Board of Directors and Chairman of the Executive Committee. In the current organizational structure of the company, the Chairman of the Board of Directors performs the duties of the Chairman of the Executive Committee. This issue and its justification was publicly disclosed on the 15th of April 2015 via disclosure of material matters. In order to make the company’s decision-making processes more efficient, and to foster a more dynamic organizational structure, it has been preferred to have the same person holding both positions.
- There are no female members in the Board of Directors and there is no policy established regarding this issue.
- Due to the preferences of the members, the meetings of the Board of Directors are held physically and it is not possible to attend these meetings via electronic platforms.
- Although the duties performed outside the company by the Members of the Board of Directors are not subject to specific rules, the detailed résumés of members are presented for the information of shareholders at the General Assembly.
- In accordance with the structure of the Board of Directors, some members can hold positions in more than one committee.

- Pursuant to the Corporate Governance Principles, the total amount of the remuneration paid to the members of the Board of Directors and executive managers and all other granted benefits are publicly announced in the annual report. However, these announcements are not made on an individual basis.

Within the scope of the tasks performed in the area of Corporate Governance in 2015:

- Company's Aid and Donation Policy was approved and put into effect at the ordinary General Assembly Meeting held on the 15th of April 2015. According to the policy, a limit of 0.1% (one thousandth) of the sales amount in the latest annual financial statements, was determined for donations to be made. General assembly has the power to change this limit.
- In 2015, losses incurred in the company by the members of the Board of Directors as a result of their faults during their term of office, were insured with an employers' liability insurance.
- Disclosure of material matters made via Public Disclosure Platform (KAP), are being announced also in English since the beginning of 2015.

Section I-Shareholders

2. Investor Relations Department

In order to enable accurate, complete, and efficient communication with its shareholders, BİM's finance directorate launched an Investor Relations Department in 2005. The executive of this unit is responsible for meeting capital market requirements and coordinating the company's corporate governance practices. Furthermore, the executive holds a Capital Market Activities Level 3 License as well as a Corporate Governance Rating License.

The managers in charge of the Investor Relations Department with administrative responsibility are:

Member of the Executive Committee and CFO, Chairman of Executive Committee of FİLE
Haluk Dortluoğlu
Phone: +90 216 564 03 46

Investor Relations and responsible employees listed below:

Reporting and Investor Relations Manager
Serkan Savaş
Phone: +90 216 564 03 46
E-mail: serkan.savas@bim.com.tr

Reporting and Investor Relations Specialist
Fatih Uzun
Phone: +90 216 564 03 46
E-mail: fatih.uzun@bim.com.tr

The main activities of the unit are:

- To ensure that records of the shareholders are kept in an orderly manner and that inquiries by the shareholders regarding the company, except for publicly undisclosed data and trade secrets, are processed immediately through all available communication channels.
- To ensure that General Assembly meetings are held in accordance with appropriate legislation and to prepare the documents to be presented to shareholders at the General Assembly meeting.
- To pursue the public disclosure policies of the company.
- To carry out preparatory work for financial results and annual reports.
- To contact with regulatory bodies and monitoring relating legislations
- Preparing and presenting reports at least once a year to the Board of Directors regarding the activities carried out over the year.

Throughout the previous period, the unit attended four brokerage conferences and held around 100 one-on-one meetings at conferences and at corporate headquarters. During these conferences and meetings, the company provided information to investors and shareholders about the company's operating results and its performance. In addition, a report regarding investor relations activities carried out in 2015 was presented to the Board of Directors on the 11th February 2016.

The contact details of the Investor Relations Department may be found on the company's website (www.bim.com.tr) at investor relations. All inquiries and questions addressed to the unit through communication channels such as phone, fax, and email were meticulously responded to over the period in question.

3. Shareholders' Right to Information

All inquiries made by shareholders, except those related to trade secrets and publicly undisclosed data, were responded to carefully in accordance with the legislation of the Capital Markets Board of Turkey. These requests were mostly related to information on the General Assembly, dividend payments, and inquiries regarding financial data, new retail model of the company, overseas investments, and the company's future goals. The company assures that shareholders have been dealt with and informed equally, and that any information that would affect shareholders' rights is not disclosed on the company's website (www.bim.com.tr).

Furthermore, information requests from institutional investors and analysts were met throughout the year using various communication channels, including teleconferences and one-to-one meetings. Each quarter, the day after the announcement of financial data, teleconferences were held to inform shareholders and analysts and to answer their respective questions. Four teleconferences in total were organized in 2015. The details of these were shared via email to addresses in the company's database. There is no provision in the Articles of Association that establishes requests for the appointment of a particular auditor as an individual right. There was no request for the appointment of a specific auditor over the period in question.

4. Information on the General Assembly

The Ordinary General Assembly Meeting of BİM Birleşik Mağazalar Anonim Şirketi for 2014 was held on Wednesday April 15, 2015, at 10:30am at the company headquarters at Abdurrahmangazi Mahallesi Ebubekir Caddesi Nr: 73 Sancaktepe, Istanbul, under the supervision of Hüseyin Çakmak, Commissary of the Ministry, who was appointed in the communiqué dated April 13, 2015 Nr. 7251507, issued by the Istanbul Provincial Directorate of Commerce.



CORPORATE GOVERNANCE

The announcement to convene the General Assembly was made in a manner designed to maximize shareholder participation. The invitation to convene and the meeting agenda, as stipulated by law and the Articles of Association, were announced in the Turkish Trade Registry Gazette numbered 8785, dated 24th of March, 2015. In addition, the information was made public on the company's website (www.bim.com.tr), and in the e-general assembly system three weeks before the meeting day. The General Assembly Information Document containing the curriculum vitae of candidates for Board Membership, the Report on Transactions with Related Parties, the Statement of Dividend Distribution, and Aids & Donations policy, was disclosed to the public through the Public Disclosure Platform, the Electronic General Assembly System, and the company's website three weeks prior to the meeting date.

Out of 303,600,000 shares correspond to the company's total capital of TL303,600,000. In the event, TL 77,545,460 shares were represented in person, and TL 190,014,108 shares were represented by proxy, bringing the total number of shares represented during the meeting to TL 267,559,568. The minutes of the General Assembly meeting were announced in the Turkish Trade Registry Gazette numbered 8821, dated 15th of May 2015. There was no loss of company capital or deep-in-debt situation reported.

As per the 10th Article of the Corporate Governance Communiqué with Series N. II - 17.1 of the Capital Markets Board, and Article 1.3.6. of the "Corporate Governance Principles" section in the same Communiqué, the report prepared by the Board of Directors regarding the frequent and continuous transactions executed with the related parties was physically and electronically presented to the shareholders.

In the conclusion section of the report, shareholders were informed that the terms and conditions of the transactions BİM Birleşik Mağazalar A.Ş. carried out in 2014 with the related parties specified within the scope of the International Accounting Standard N.24 did not show significant differences with respect to the "arm's length principle," and that they had concluded there was no issue with executing transactions from the related parties with the same terms and conditions in 2015 as well.

Company's Aid and Donation Policy was discussed and approved at the general assembly meeting. According to the policy, a limit of 0.1% (one thousandth) of the sales amount in the latest annual financial statements, was determined for donations to be made. General assembly has the power to change this limit. At the General Assembly Meeting, on a separate agenda item information was presented to the shareholders about the amount of aid and donation made

within the period and those who benefit. During the year 2015, the Company spent a total of TL 4,543,611 in donations and aid as part of its donation and aid policy, and this total is below the threshold of 0.1% (one thousandth) of sales that was set by the General Assembly.

The minutes of the General Assembly meeting in Turkish and their translations into English are published in the Investors Relations section of the company's website (www.bim.com.tr). They were also made available to shareholders for examination at the company headquarters. The questions asked orally and through the Electronic General Assembly System by shareholders were answered in detail, and no suggestions were made by shareholders during the meeting. Members of the media did not attend the meeting. Decisions taken in the General Assembly were executed within the period in question.

The provision that the Capital Market Board's regulations on corporate governance shall be complied with for transactions considered to be important with respect to the implementation of the Principles of Corporate Governance is included in the company's Articles of Association.

No Extraordinary General Assembly meeting was held within the period in question.

5. Voting Rights and Minority Rights

All company shares are issued as bearer shares. There is no voting privilege right that comes with shares, and shareholders are provided with the easiest and most appropriate opportunities to exercise their voting rights. During both the Ordinary and Extraordinary General Assembly meetings, shareholders of the company or their proxies are entitled to one vote per share they hold. Shareholders may appoint a proxy to vote on behalf of them at the General Assembly. Voting by proxy is subject to the regulations of the Capital Markets Board. There are no mutual affiliate relationships among the company's shareholders.

The provision that minority rights shall be used in accordance with the Capital Markets Legislation and the regulations issued by the Capital Markets Board are included in the Articles of Association and a share that less than one-twentieth of the capital isn't determined for the minority rights. Minority rights are represented by the independent members of the Board of Directors in the company's management.

6. Dividend Rights

There is no privilege granted for corporate profit sharing. The dividend policy of the company was revised and approved by the General Assembly on the 22nd of April 2014 and was announced to the public on the same date. Within the scope of the dividend policy, the General Assembly decided to distribute at least 30% of the distributable profit that will be calculated according to the regulations of the Turkish Code of Commerce and the Capital Markets Board.

The dividend policy is available in the Investor Relations section on the company's corporate website. The timeline for dividend distribution is determined in line with the provisions of the Turkish Commercial Code and Capital Markets Legislation by the General Assembly upon the proposal of the Board of Directors. Dividend distribution of TL 273,017,000 was realized in two installments within the legal period in 2015.

7. Transfer of Shares

Shares are transferred in accordance with the provisions of the Turkish Commercial Code and other related legislation. There are no provisions in the Articles of Association that limit the transfer of shares.

Section II-Public Disclosure and Transparency

8. Information Policy

Company's Information Policy was approved and put into effect by the Board of Directors on the 27th of March 2014, and was presented to the information of the shareholders at the General Assembly Meeting held on the 22nd of April 2014. The policy was publicly announced via Public Disclosure Platform and Company's website. According to the policy, in all cases of disclosing a subject "unknown to the public", relevant Executive Board Members, CFO and Investor Relations Manager, examine the issue and take necessary action within the framework of the Company's Information Policy.

Forecasts for 2015 were disclosed to the public through an events disclosure on March 4, 2015. The projections were developed by considering the Company's store opening rate, the growth in domestic and overseas operations, and the high dynamism in the retail industry. The operational and financial results were in line with the announced expectations in 2015.

9. Company Website and Contents

The company's website address is www.bim.com.tr, and it is used actively for public disclosure purposes. The Investors Relations section of the website is also available in English in order to inform foreign investors. Pursuant to the Turkish Commercial Code numbered 6102, the company's website was registered and announced in the Turkish Trade Registry Gazette dated the 9th of October, 2013.

While subjects from among those listed under the Article 2.1.1 of the Corporate Governance Principles are published under the Investor Relations section of our website that doesn't only consist of registration statements.

10. Annual Report

Pursuant to the legislation of the Capital Markets Board and the Turkish Code of Commerce, the company discloses its Annual Report quarterly through the Public Disclosure Platform and the company's website. Although the interim reports are limited to developments that occur during the periods in question, the Annual Report is concerned with paying the utmost attention to items included in the Corporate Governance Principles so that the public shall have complete and accurate information regarding the operations of the company. The items from among those included in the Corporate Governance Principles that are not included in the annual report are as follows:

- Information regarding the attendance of members at meetings of the Board of Directors.
- The Board of Directors' Assessment of the activities of committees.

Section III-Stakeholders

11. Disclosure to Stakeholders

In accordance with the current legislation and the company's disclosure policy, stakeholders are regularly informed about matters concerning them, with the exception of trade secrets, through appropriate channels of communication such as the company's website, the domain allocated for the company on the Central Registry Agency's (MKK) e-company portal, and press releases.

Email and phone contact details are provided on the company's website for stakeholders who wish to get in touch. Stakeholders who require information through these channels, need to make inquiries, or who wish to provide information with regard to acts that are against the legislation of the company or that are unethical, are able to contact the relevant unit manager. Inquiries and requests for information are answered in a timely manner. Similar means of communication are used to reach both the Audit Committee and the Corporate Governance Committee, and no special mechanism has been put into action.



CORPORATE GOVERNANCE

Company shareholders or potential shareholders, investment banks, and analysts are able to communicate directly with the Investor Relations Management through the contact details listed on the website, and their inquiries are responded to immediately.

12. Participation of Stakeholders in Management

Although the company has not defined any framework for the participation of stakeholders in management, the independent members of the Board of Directors serve as representation for all stakeholders as well as the shareholders in management. Furthermore, the Investor Relations Department ensures coordination between the stakeholders and the company management. The proposals and requests of stakeholders are submitted for the information of the management.

Feedback received from both the customers and suppliers through various means of communication are reviewed by the management, and actions are taken when deemed necessary.

The company strives to attain a high level of participation in the decision-making process by its employees as stakeholders. In this regard, meetings are held in order to increase efficiency and to bring about improvements with regard to issues concerning staff, and suggestions are evaluated by senior management.

Furthermore, employees are encouraged to openly communicate their complaints, criticisms, and suggestions to their respective managers regarding the working methods of the unit in which they are employed.

13. Human Resources Policy

BİM Personnel Regulations provide guidelines for maintaining working order in line with the objectives of the organization, personnel rights, and the regulation of general principles for working conditions. The Personnel and Administrative Affairs Units in the 43 regional warehouses and headquarters manage the employee relations.

Providing its employees with a pleasant and fair working environment, which offers them the opportunity to take initiative, train, and develop their capacities professionally is the main priority of the company's Human Resources Policy. In addition, employees are encouraged to openly communicate their complaints and criticisms to the relevant units, which are then required to take necessary actions immediately.

The company utilizes both internal and external resources to meet the training needs of its employees.

Job descriptions as well as performance and rewards criteria are communicated to employees clearly. There were no complaints from the employees with regard to discrimination during the period in question.

14. Ethical Rules and Social Responsibility

Expectations from employees, executives, and suppliers are clearly identified in the "Goals of the Organization" document which was shared with all employees. However, these expectations and rules are not disclosed to the public. Procedures to follow in the company with regard to general and specific issues are meticulously implemented and updated as necessary.

The company is not involved in any production operations. Plastic and cardboard waste is forwarded to licensed recycling companies who are engaged in the recycling of packaging waste.

As of 2010, biologically degradable (oxo-bio) bags are used at all stores in order to minimize environmental damage resulting from the shopping bags offered to customers.

In order to inspect the quality control of its product range, BİM works in coordination with the Quality System Laboratory, Observatory Laboratory, Eurolab, and the TÜBİTAK Research Institute. TÜBİTAK carries out chemical and biological tests on products sold at BİM stores and performs strict quality controls at their production facilities.

In addition, quality tests are carried out at the Istanbul head office as well as regional offices through the sampling method. Before offering a new product for sale, quality and taste tests are performed. Similar tests are made on equivalent and competitive products in order to compare the results.

The company also takes the issue of food safety seriously. BİM A.Ş. guarantees that all the products that are sold comply with the minimum official standards set forth in relevant legislation, and takes responsibility for these products.

Providing reliable products that meet customer needs in the most affordable way while making efforts to continuously improve its product quality in a timely manner is a key policy of the company.

Section IV: Board of Directors

15. Structure and Formation of the Board of Directors

The company is managed and represented by its Board of Directors. The Board of Directors is composed of a minimum of five and a maximum of nine members elected by the General Assembly, while decisions regarding independent members that sit on the Board of Directors are determined in accordance with the corporate governance regulations set out by the Capital Markets Board. These stipulate that the number of independent members has to be one-third of the total number of members. During the Ordinary General Assembly meeting held on April 15, 2015, six members were elected to sit on the Board of Directors for a period of one year. Two of these nominees are independent members of the Board, and possess the qualifications indicated in the Communiqué of Corporate Governance Principles (Series II, Nr. 17.1). The names and biographies of the members of the Board of Directors and the Executive Members as well as the positions they assume outside the company are provided in the Annual Report under the "Board of Directors and the Executive Committee" section.

The Corporate Governance Committee's report on candidates for independent membership, which was issued on January 22, 2015, was submitted to the Board of Directors and on the same day the Board submitted the report to the General Assembly. Two names were put forward to serve as independent candidates by Corporate Governance Committee.

Independent members of the Board of Directors declared the:

I declare that

a) Within the past five years, no executive employment relation that would give important duties and responsibilities has been established between myself, my spouse, my second degree relatives by blood or by marriage and Bim Birleşik Mağazalar A.Ş. and subsidiaries of Bim Birleşik Mağazalar A.Ş., shareholders who control the management of the company or who have significant influence at the company, and juridical persons controlled by these shareholders; and that I neither possess more than 5% of any and all capital or voting rights or privileged shares nor have significant commercial relations.

b) I have not worked for those companies that carry out, in part or in full, the activities or organization of Bim Birleşik Mağazalar A.Ş. within the framework of existing agreements, primarily those that audit, rate, or provide consulting services for Bim Birleşik Mağazalar A.Ş., or have been a member of the Board of Directors at these companies within the past five years; I have not worked as an executive manager who would have important duties and responsibilities nor have I been a member of the Board of Directors or been a shareholder (with more than 5% of shares) in the companies that BİM Birleşik Mağazalar A.Ş. purchases significant amounts of products and services from or sells significant amounts of products and services to.

c) I have the professional education, knowledge, and experience to carry out the duties I would assume as a result of becoming an independent member of the Board of Directors.

d) I do not work full time for any public institution or organization.

e) I am considered resident in Turkey in accordance with the Income Tax Law.

f) I have strong ethical standards, professional reputation, and experience that would enable me to make positive contributions to the operations of Bim Birleşik Mağazalar A.Ş., enabling me to maintain impartiality during times of conflict of interest among the partners of the company, and to decide independently by taking the benefit rights into consideration.

g) I shall devote enough time for the activities of Bim Birleşik Mağazalar A.Ş. to follow the operations of Bim Birleşik Mağazalar A.Ş. and to fully carry out the duties I would assume.

h) I have not been a member of the Board of Directors of Bim Birleşik Mağazalar A.Ş. for more than six years in total within the past decade.

i) I have not been an independent member of the Board of Directors in Bim Birleşik Mağazalar A.Ş. or in more than three of the companies controlled by the shareholders who control the management of Bim Birleşik Mağazalar A.Ş., and in more than five of the publicly traded companies in total.

j) I have not been registered and announced on behalf of the juridical person elected as the member of the Board of Directors.

Upon the retirement of the CEO of the company on January 1, 2010, an Executive Committee was formed to take over the powers and responsibilities of the CEO. The company's Chairman of the Board of Directors also serves as the Chairman of the Executive Committee. The reason behind selecting the same individual for both positions is to enable the company to move faster and more effectively in the decision-making process, and to create a more dynamic organizational structure. The remaining five members of the Board of Directors do not hold executive positions.

The Board of Directors is subject to the approval of the General Assembly in order to fulfill the transaction written in the 395 and 396 articles of the Turkish Commercial Code. During the Ordinary General Assembly held on April 15, 2015, the members of the Board of Directors were permitted to carry out transactions pursuant to the relevant articles of the Turkish Commercial Code.



CORPORATE GOVERNANCE

Members of the Board of Directors are not restricted from assuming other duties outside the company, except for cases in which the independence of the independent members of the Board of Directors may be affected within the framework of the criteria set forth in the Corporate Governance Principles.

There are no female members on the Board of Directors and there is no policy established related to this issue.

16. Operating Principles of the Board of Directors

As indicated in the Articles of Association, the Board of Directors meets at intervals that allow them to perform their duties in an efficient manner. The date for the next Board of Directors meeting is scheduled according to the availability of the members during the previous meeting.

The Chairman determines the agenda of meetings by consulting other members of the Board of Directors and the Chief Executive Officer/General Manager. The agenda is formed according to emerging needs and requirements, and members make sure to attend each meeting and present their opinions. In order to provide a steady flow of discussion, information and documents related to the items of the agenda of each Board of Directors meeting are presented to members ahead of the date of the actual meeting.

The Chairman of the Board of Directors makes his best effort to assure the effective participation of non-executive members in meetings of the Board of Directors. In cases of dissent, a reasonable and detailed justification for the counter vote is made available by the members of the Board of Directors to be entered in the decision record. The Board of Directors may take any decision with the written consent of members in the form of a letter or fax receiving members' decision by signature only even without holding a meeting.

Board of Directors and quorum are subject to the Turkish Code of Commerce and to capital markets regulations. The Chairman's secretary is responsible for informing and communicating with the Board of Directors, and although members of the Board have equal rights to vote, they do not hold the right to veto.

With regard to transactions that may be deemed significant and to any and all affiliated party transactions as well as transactions related to warranties, pledges, or mortgages to be provided for the benefit of third parties, where there is no approval from the majority of the independent members, the information is disclosed to the public. This practice complies with the corporate governance regulations of the Capital Markets Board and its public disclosure principles. There were no such disclosures made during 2015.

The Board of Directors virtually convened 14 times over the course of 2015, and 25 additional occasions, took place to take decisions with the consent of its members without holding a meeting as sanctioned in Article 390/4 of the Turkish Code of Commerce. No counter vote was cast against the decisions taken.

17. The Number, Structure, and Independence of Committees Formed within the Board of Directors

Pursuant to the Corporate Governance Principles issued by the Capital Markets Board, an Audit Committee, a Corporate Governance Committee, and an Early Risk Identification Committee have been formed within the Board of Directors.

The Audit Committee was formed to ensure that the Board of Directors is carrying out its duties and responsibilities in a healthy manner and with the needs of the company in mind. The audit committee presents its reports to the Board of Directors on a quarterly basis. Two independent members were appointed to the two seats of the Audit Committee, and its members do not hold any other executive position at the company.

The Corporate Governance Committee consists of four members of which two are independent and one of the independent members chairs the group. While three of forth of the members do not hold any executive position, executive member serves as the Reporting and Investor Relations Manager. The Corporate Governance Committee also assumes the duties and responsibilities of the Nomination Committee, the Early Risk Identification Committee, and the Remuneration Committee. The Corporate Governance Committee meets at least once a year.

Both participants in the Early Risk Detection Committee are independent members. These members do not have executive duties/positions in the company. The aim of the committee is to preemptively diagnose any risks that could endanger the existence, development, and continuity of the company, and to take necessary measures to mitigate these identified hazards. Early Risk Detection Committee presents reports to the Board of Directors every two months.

Due to the fact that we have two independent members in Our Company's Board of Directors and that we have three different committees established within our Company, some Members of the Board of Directors may assume tasks in more than one committee.

The working principles of both committees and the names of their respective members have been disclosed to the public through the company's website.

18. Risk Management and Internal Control Mechanisms

Taking into consideration the various risks it is exposed to, as well as the relevant preventive measures, BİM has developed policies and procedures to govern its business processes. Furthermore, the company has reorganized the distribution of tasks within the organization, including the relevant approval and authorization mechanisms, and regulated methods for the protection and settlement of the company's tangible assets within the scope of risk management. It has also established efficient reporting and supervision practices over the course of the same period.

The company has also set up an Internal Audit Unit that reviews the efficiency of risk management, internal control, and corporate governance processes in a systematic and disciplined manner, with a view to improving efficiency. The Internal Auditing Unit reports to the Audit Committee, which is made up of independent members from the Board of Directors. This unit identifies any major potential risks or deficiencies in internal control systems and identifies measures to be taken to reduce these risks in the relevant management units. The unit then reports the actions taken and their outcomes to senior management and to the Audit Committee.

All operations in the company fall under the responsibility of the Internal Audit Unit, and are audited according to annual plans prepared in line with the results of the risk evaluation process. The subsidiaries that are subject to consolidation are also within the scope of the Internal Audit Unit. Implementation procedures are defined for all stages of the internal control process, and the unit carries out its operations within this framework.

Review of the efficiency and competency of consolidated financial tables which are prepared on a quarterly basis in compliance with the Capital Markets Legislation and assuring the Audit Committee are among the duties of Internal Audit Unit. In 2015, the quality of internal audit activities was independently evaluated, and were put in the "Generally Comply" category (the highest possible level) according to the International Internal Audit Standards and Code of Ethics.

Early Risk Identification Committee works to preemptively isolate risks that could endanger the existence, development, and future of the company, and also implements necessary measures to manage and diminish threats. The committee submits a report to the Board of Directors every two months, outlining the threats (if any) and their potential remedies.

19. Strategic Goals of the Company

The company aims to attain a high level of efficiency in the food retail industry by expanding into other countries where this concept has not yet been implemented in the future. Our strategy is focused on always offering quality products, lowering prices for customers, increasing operational efficiency, increasing the share of private-label products in our portfolio, and decreasing costs by improving supplier efficiency.

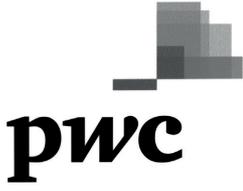
The Board of Directors approves the annual budget and assesses the extent to which objectives stated in the budget are met analyzing financial data on a monthly basis. Besides evaluating annual objectives, upon the request of the Board of Directors, the management prepares long-term strategic plans on both domestic and overseas operations and submits these to the Board for review.

20. Financial Rights

Remuneration principles for members of the Board of Directors and senior executives were submitted for the information of shareholders in the 2011 Ordinary General Meeting held on the 15th of May 2012, and these have been disseminated to the public through the company's website and the Public Disclosure Platform.

Pursuant to the decisions of the General Assembly, an honorarium is paid for the members of the Board of Directors. The company does not provide loans, credit, or other such benefits to members of the Board of Directors or its executives.

The total value of financial rights such as honorariums, fees, premiums, and bonuses for a total of 134 people comprising the members of the Board of Directors and senior executives came to TL 21,636,203 (TL 2,296,000 bonus, TL 239,587 per diem, TL 19,100,616 wage) in 2015. Executives do not receive dividends. All Members of the Board of Directors have employers' liability insurance.



**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 BİM Birleşik Mağazalar A.Ş.

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

1. We have audited the annual report of BİM Birleşik Mağazalar A.Ş. (the "Company") and its Subsidiaries (collectively referred to as the "Group") for the period ended 31 December 2015.

Board of Directors' responsibility for the Annual Report

2. The Group 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 8 March 2016 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 of BİM Birleşik Mağazalar A.Ş. 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 Group to continue its operations for the foreseeable future.

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



Adnan Akan, SMMM
Partner

Istanbul, 8 March 2016

BİM BİRLEŐİK MAĐAZALAR A.Ő.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2015**

(ORIGINALLY ISSUED IN TURKISH)



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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of BİM Birleşik Mağazalar A.Ş.;

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of BİM Birleşik Mağazalar A.Ş. (the "Company") and its Subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2015 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 audit opinion.

Opinion

4. In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of BİM Birleşik Mağazalar A.Ş. and its Subsidiaries as at 31 December 2015 and their financial performance and cash flows for the period then ended in accordance with Turkish Accounting Standards.

Other Responsibilities Arising From Regulatory Requirements

5. 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 8 March 2016.

6. 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 2015 is not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.

7. In accordance with subparagraph 4 of Article 402 of the TCC; the Board of Directors made the necessary explanations and provided the required documents within the context of our audit.

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



Adnan Akan, SMMM
Partner

Istanbul, 8 March 2016

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2015

CONTENTS	PAGE
CONSOLIDATED BALANCE SHEETS	62-63
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	64
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	65
CONSOLIDATED STATEMENTS OF CASH FLOWS	66
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	67
NOTE 1 ORGANIZATION AND NATURE OF OPERATIONS OF THE GROUP	67
NOTE 2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS	67-78
NOTE 3 SEGMENT REPORTING	79
NOTE 4 CASH AND CASH EQUIVALENTS	79
NOTE 5 FINANCIAL ASSETS	79-80
NOTE 6 FINANCIAL LIABILITIES	80
NOTE 7 TRADE RECEIVABLES AND PAYABLES	80
NOTE 8 OTHER RECEIVABLES AND PAYABLES	80-81
NOTE 9 INVENTORIES	81
NOTE 10 PROPERTY, PLANT AND EQUIPMENT	82-85
NOTE 11 INTANGIBLE ASSETS	86
NOTE 12 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	87-89
NOTE 13 PREPAID EXPENSES	89
NOTE 14 EMPLOYEE TERMINATION BENEFITS	90-91
NOTE 15 OTHER ASSETS AND LIABILITIES	91
NOTE 16 EQUITY	92-93
NOTE 17 SALES AND COST OF SALES	93-94
NOTE 18 OPERATIONAL EXPENSES	94
NOTE 19 EXPENSE BY NATURE	95
NOTE 20 OTHER OPERATING INCOME AND EXPENSE	95
NOTE 21 FINANCIAL INCOME	95
NOTE 22 FINANCIAL EXPENSE	96
NOTE 23 INCOME AND EXPENSE FROM INVESTING ACTIVITIES	96
NOTE 24 TAX ASSETS AND LIABILITIES	96-98
NOTE 25 EARNINGS PER SHARE	98
NOTE 26 RELATED PARTY DISCLOSURES	98-99
NOTE 27 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT	100-105
NOTE 28 FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES IN THE FRAME OF HEDGE ACCOUNTING)	105-106
NOTE 29 EVENTS AFTER BALANCE SHEET DATE	106

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.**CONSOLIDATED BALANCE SHEETS****AT 31 DECEMBER 2015 AND 31 DECEMBER 2014**

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

ASSETS		31 December 2015	31 December 2014
	Notes	Audited	Audited
Current Assets		2.160.683	1.812.332
Cash and Cash Equivalents	4	348.789	325.468
Trade Receivables	7	525.685	445.330
- Trade Receivables, Other Parties		525.685	445.330
Other Receivables	8	44.166	15.662
- Due From Related Parties		39.879	12.580
- Other Receivables, Other Parties		4.287	3.082
Inventory	9	975.267	807.295
Prepaid Expenses	13	120.708	104.648
Current Income Tax assets	24	128.235	89.925
Other Current Assets	15	17.833	24.004
Non-current Assets		2.007.102	1.425.799
Financial Investments	5	181.755	157.490
Trade and Other Receivables		3.480	3.124
- Trade Receivables, Other Parties		3.480	3.124
Property, Plant and Equipment	10	1.784.675	1.243.184
Intangible Assets	11	5.350	4.688
- Other Intangible Assets		5.350	4.688
Prepaid Expenses	13	30.215	15.823
Deferred Tax Assets	24	1.627	1.481
Other Non-current Assets		-	9
Total Assets		4.167.785	3.238.131

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

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

CONSOLIDATED BALANCE SHEETS

AT 31 DECEMBER 2015 AND 31 DECEMBER 2014

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

LIABILITIES	Notes	31 December 2015 Audited	31 December 2014 Audited
Current Liabilities		2.395.511	2.021.398
Short Term Financial Liabilities	6	20.260	17.327
Trade Payables		2.108.958	1.805.506
- Due to Related Parties	26	195.864	256.358
- Due to Third Parties	7	1.913.094	1.549.148
Other Payables		111	586
- Due to Third Parties		111	586
Deferred Revenue		7.279	4.722
Employee Benefit Obligations		23.506	19.600
Current Provisions	12	26.171	25.335
- Provision for Employee Termination Benefits		2.555	2.761
- Other Short Term Provisions		23.616	22.574
Current Income Tax Liabilities	24	162.882	113.071
Other Current Liabilities	15	46.344	35.251
Non-current Liabilities		101.915	67.202
Non-current Provisions		64.125	52.143
- Provision for Employee Benefits	14	64.125	52.143
Deferred Tax Liabilities	24	37.790	15.059
Equity		1.670.359	1.149.531
Equity Attributable to Parent		1.670.359	1.149.531
Paid-in Share Capital	16	303.600	303.600
Other Comprehensive Income/Expense not to be Reclassified to Profit or Loss		244.929	52.903
- Property and Equipment Revaluation Reserve	16	279.957	78.323
- Actuarial Gain/Loss on Defined Benefit Plans		(35.028)	(25.420)
Other Comprehensive Income/Expense to be Reclassified to Profit or Loss		23.876	9.206
- Currency Translation Difference		4.464	9.206
- Fair value changes in available-for-sale financial assets		19.412	-
Restricted Reserves		203.399	169.541
Retained Earnings		311.424	218.982
Net Income for the Period		583.131	395.299
Total Liabilities		4.167.785	3.238.131

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

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE PERIODS ENDED 31 DECEMBER 2015 AND 2014

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

	Notes	Audited 31 December 2015	Audited 31 December 2014
INCOME OR LOSS			
Revenue	17	17.428.497	14.463.059
Cost of Sales (-)	17	(14.612.083)	(12.237.034)
GROSS PROFIT		2.816.414	2.226.025
Marketing Expenses (-)	18	(1.844.990)	(1.521.255)
General Administrative Expenses (-)	18	(274.555)	(222.915)
Other Operating Income	20	27.173	20.611
Other Operating Expense (-)	20	(6.230)	(7.467)
OPERATING PROFIT		717.812	494.999
Income from Investing Activities	23	1.348	4.085
OPERATING PROFIT BEFORE FINANCIAL INCOME		719.160	499.084
Financial Income	21	36.303	21.677
Financial Expense (-)	22	(6.490)	(8.835)
PROFIT BEFORE TAX FROM CONTINUED OPERATIONS		748.973	511.926
- Current Tax Expense	24	(164.647)	(113.011)
- Deferred Tax Income/(Expense)	24	(1.195)	(3.616)
PROFIT FROM CONTINUED OPERATIONS		583.131	395.299
NET INCOME FOR THE PERIOD		583.131	395.299
Profit for The Period Attributable to			
Non-controlling Interest		-	-
Equity Holders of the Parent		583.131	395.299
Earnings Per Share			
Earnings Per Share from Continued Operations (Full TRY)	25	1,921	1,302
Earnings Per Share from Discontinued Operations		-	-
Other Comprehensive Income			
Items not to be Classified to Profit or Loss			
Actuarial Gain/Loss from Defined Benefit Plans		(9.608)	(11.358)
Property and Equipment Revaluation Reserve		201.634	-
Items to be Classified to Profit or Loss			
Fair Value Changes in Available-For-Sale Financial Assets		19.412	-
Currency Translation Difference		(4.742)	3.026
Other Comprehensive Income/(Expense)		206.696	(8.332)
Total Comprehensive Income		789.827	386.967
Total Comprehensive Income Attributable to			
Non-controlling Interest		-	-
Equity Holders of the Parent		789.827	386.967

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

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

BİM BİRLEŞİK MAĞAZALAR A.Ş. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2015 AND 2014

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

	Audited								
	Paid-in share capital	Restricted reserves	Tangible assets fair value reserve	Actuarial gain/ loss from defined benefit plans	Currency translation difference	Fair value changes in available-for-sale financial assets	Retained earnings	Net income for the period	Paid-in share capital
Balance at 1 January 2014	303.600	124.463	78.323	(14.062)	6.180	-	87.776	412.984	999.264
Transfer to prior year profits	-	-	-	-	-	-	412.984	(412.984)	-
Transfers	-	45.078	-	-	-	-	(45.078)	-	-
Gain due from acquisition of treasury shares	-	-	-	-	-	-	6.033	-	6.033
Dividend (Note 16)	-	-	-	-	-	-	(242.733)	-	(242.733)
Total comprehensive income	-	-	-	(11.358)	3.026	-	-	395.299	386.967
Balance at 31 December 2014	303.600	169.541	78.323	(25.420)	9.206	-	218.982	395.299	1.149.531
Balance at 1 January 2015	303.600	169.541	78.323	(25.420)	9.206	-	218.982	395.299	1.149.531
Transfer to prior year profits	-	-	-	-	-	-	395.299	(395.299)	-
Transfers	-	33.858	-	-	-	-	(33.858)	-	-
Gains due from acquisition of treasury shares	-	-	-	-	-	-	4.018	-	4.018
Dividend (Note 16)	-	-	-	-	-	-	(273.017)	-	(273.017)
Total comprehensive income	-	-	201.634	(9.608)	(4.742)	19.412	-	583.131	789.827
Balance at 31 December 2015	303.600	203.399	279.957	(35.028)	4.464	19.412	311.424	583.131	1.670.359

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

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED 31 DECEMBER 2015 AND 2014

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

	Notes	Audited 1 January - 31 December 2015	Audited 1 January - 31 December 2014
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		583.131	395.299
Adjustments to reconcile profit for the period		340.096	255.863
Depreciation and amortisation	10,11,19	168.387	136.648
Provision for impairment of inventories	9	7.258	3.460
Allowance for doubtful receivables	8	10	38
Provision for employment termination benefits	14	13.654	10.179
Provision for unused vacation	12,14	(607)	130
Legal provisions	12	385	4.995
Other provisions		657	5.625
Adjustments related to interest income/expense	21	(14.142)	(17.754)
Adjustments for tax income/ losses	24	165.842	116.627
(loss)/Gain on sale of property and equipment	23	(1.348)	(594)
Other adjustments related to cash flows arising from investing and financing activities		-	(3.491)
Changes in net working capital		20.748	46.935
Increases in inventories		(175.230)	(172.281)
Increases in trade receivables		(80.355)	(100.495)
Decreases in other assets related to operations		(28.870)	1.337
Increases in trade payables		303.452	347.757
Increases in other payables related to operations		(475)	401
Change in other working capital		2.226	(29.784)
Net cash generated from operating activities		943.769	698.097
Income taxes paid	24	(151.381)	(118.169)
Collection of doubtful receivables	8	22	64
Employee benefits paid	14	(13.281)	(11.061)
	14	(13.281)	(11.061)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of tangible assets	10,11,23	12.596	14.469
Purchases of tangible and intangible assets	10,11	(490.396)	(410.199)
Cash advances given	13	(8.942)	(2.136)
Change in financial assets		-	(39.459)
Dividend income		-	3.491
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from financial liabilities		2.933	4.180
Profit share received		14.478	18.570
Acquisition of treasury shares	16	(19.602)	(20.327)
Dividend paid	16	(273.017)	(242.733)
Cash received from sale of treasury shares		23.620	26.360
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES (A+B+C)		41.005	(78.853)
D. EFFECTS OF CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS		(17.348)	(356)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		23.657	(79.209)
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	323.979	403.188
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(A+B+C+D+E)	4	347.636	323.979

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

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

1. Organization and nature of operations of the Group

BİM Birleşik Mağazalar Anonim Şirketi ("BİM" or "the Company") was established on 31 May 1995 and commenced its operations in September 1995. The registered address of the Group is Ebubekir Cad. No: 73 Sancaktepe, İstanbul.

The Company is engaged in operating retail stores through its retail shops throughout Turkey, which sell an assortment of approximately 600 items, including a number of private labels. The Company is publicly traded in Istanbul Stock Exchange (ISE) since July 2005.

The Company established a new company named BIM Stores SARL on 19 May 2008 with 100% ownership in Morocco which is engaged in hard discount retail sector and started to operate on 11 July 2009. BIM Stores SARL financial statements are consolidated by using the full consolidation method.

The Company established a new company named BIM Stores LLC on 24 July 2012 with 100% ownership in Egypt which is engaged in hard discount retail sector and first stores of BIM Stores LLC has been opened in April 2013. BIM Stores LLC financial statements are consolidated by using the full consolidation method as of 31 December 2015. Hereinafter, the Company and its consolidated subsidiaries together will be referred to as "the Group".

Shareholder structure of the Group is stated in Note 16. The consolidated financial statements were authorized for issue on 8 March 2016 by the Board of Directors of the Company.

Although there is no such intention, the General Assembly and certain regulatory bodies have the power to amend the financial statements after issue.

For the periods ended 31 December 2015 and December 2014, the average number of employees in accordance with their categories is shown below:

	1 January - 31 December 2015	1 January - 31 December 2014
Office personnel	2.007	1.785
Warehouse personnel	3.366	2.997
Store personnel	26.374	23.316
Total	31.747	28.098

As of 31 December 2015, the Group operates in 5.400 stores (31 December 2014: 4.806).

2. Basis of preparation of financial statements

2.1 Basis of presentation

The 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 September 2013. According to Article 5 of the Communiqué, 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 ("IFRIC").

The consolidated financial statements of the Group are prepared as per the CMB announcement of 7 June 2013 relating to financial statements presentations. Comparative figures are reclassified, where necessary, to conform to changes in the presentation of the current year's financial statements.

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

The Group and its Turkish subsidiaries, associates and joint ventures maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB. The foreign subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. 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.

Preparation of Financial Statements in Hyperinflationary Periods

In accordance with the CMB's resolution No: 11/367 issued on 17 March 2005, companies operating in Turkey which prepare their financial statements in accordance with the CMB Accounting Standards (including the application of IFRS) are not subject to inflation accounting effective from 1 January 2005. Therefore, as of 1 January 2005, TAS 29 "Financial Reporting in Hyperinflationary Economies" is not applied in the accompanying consolidated financial statements.

Going concern assumption

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

2.2 New and amended International Financial Reporting Standards

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 2015 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of 1 January 2015. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

Group has implemented the new and revised standards and interpretations effective from 1 January 2015 which are related to its main operations.

a. Amendments to published standards and interpretations effective as at 31 December 2015

- Amendment to TAS 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. The standart has no impact on the financial position or performance of the Group.

- 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:

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

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

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

- TFRS 1, 'First time adoption'
- TFRS 3, 'Business combinations'
- TFRS 13, 'Fair value measurement' and
- TAS 40, 'Investment property'.

b. New standards, amendments and IFRICs effective after 31 December 2015

- Amendment to TFRS 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. The standart has no impact on the financial position or performance of the Group.

- Amendments to TAS 16 'Property, plant and equipment', and TAS 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 TAS 16, instead of TAS 41. The produce growing on bearer plants will remain within the scope of TAS 41. The standart has no impact on the financial position or performance of the Group.

- Amendment to TAS 16, 'Property, plant and equipment' and TAS 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. The standart has no impact on the financial position or performance of the Group.

- TFRS 14 'Regulatory deferral accounts', effective from annual periods beginning on or after 1 January 2016. TFRS 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 TFRS. However, to enhance comparability with entities that already apply TFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items. The standart has no impact on the financial position or performance of the Group.

- Amendments to TAS 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. The standart has no impact on the financial position or performance of the Group.

- Amendments to TFRS 10, 'Consolidated financial statements' and TAS 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 TFRS 10 and those in TAS 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. The standart has no impact on the financial position or performance of the Group.

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

- Annual improvements 2014, effective from annual periods beginning on or after 1 January 2016. These set of amendments impacts 4 standards:

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

- Amendment to TAS 1, 'Presentation of financial statements' on the disclosure initiative, effective from annual periods beginning on or after 1 January 2016, these amendments are as part of the IASB initiative to improve presentation and disclosure in financial reports. The standart has no impact on the financial position or performance of the Group.

- Amendment to TFRS 10 'Consolidated financial statements' and TAS 28, 'Investments in associates and joint ventures', effective from annual periods beginning on or after 1 January 2016. These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries. The standart has no impact on the financial position or performance of the Group.

- TFRS 15 'Revenue from contracts with customers', effective from annual periods beginning on or after 1 January 2018. TFRS 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. The Group evaluates the effects of the standart.

- TFRS 9 'Financial instruments', effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in TAS 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. The standart has no impact on the financial position or performance of the Group.

2.3 Compliance with TAS

The Group prepared its consolidated financial statements for the period ended 31 December 2015 in accordance with the framework of the Communiqué Serial: II and numbered 14.1 and its related announcements. The consolidated financial statements and its accompanying notes are presented in compliance with the format recommended by CMB, including the 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). For the purpose of the consolidated financial statements, the results and financial position of each entity consolidated are expressed in Turkish Lira ("TRY"), which is the functional of the Company and the presentation currency of the Group. The functional currency of the Company's subsidiary, BIM Stores SARL, is Maroc Dirham ("MAD").

In the consolidated financial statements, MAD amounts presented in the balance sheet are translated into Turkish Lira at the TRY exchange rate for purchases of MAD at the balance sheet date, TRY1 = MAD 3,3925 amounts in the statement of comprehensive income have been translated into TRY, at the average TRY exchange rate for purchases of MAD, is TRY1 = MAD 3,5847. Differences that occur by the usage of closing and average exchange rates are followed under currency translation differences classified under equity.

The functional currency of the Company's other subsidiary, BIM Stores LLC is Egyptian Pound ("EGP"). In the consolidated financial statements, EGP amounts presented in the balance sheet and in the statement of comprehensive income are translated into Turkish Lira at the TRY exchange rate for purchase of EGP at the balance sheet date, TRY1 = EGP 2,6906, at the average TRY exchange rate for purchases of EGP, is TRY1 = EGP 2,8133. Differences that occur by the usage of closing and average exchange rates are followed under currency translation differences classified under equity.

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

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. No classification related to prior year has been made in the current period.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent company BİM and its subsidiaries prepared for the period ended 31 December 2015. Subsidiaries are consolidated from the date on which control is transferred to the Group. The consolidated financial statements cover BİM and the subsidiaries with 100% control.

Subsidiaries are consolidated by using the full consolidation method; therefore, the carrying value of subsidiaries is eliminated against the related shareholders' equity.

Intercompany balances and transactions between BİM and its subsidiaries, including unrealized intercompany profits and losses are eliminated. Consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.

2.6. Summary of Significant Accounting Policies

Offsetting

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

Accounting estimates

The preparation of financial statements in accordance with the CMB Accounting Standards 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 reported in income statement in the periods in which they become known.

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 accounting of employee termination benefits, provision for inventories, revaluation of land and buildings, assessment of economic useful lives of property, plant and equipment and intangibles and provision for income taxes.

Revenue recognition

Revenue is recognized on accrual basis over the amount obtained or the current value of the amount to be obtained when the delivery is realized, the income can be reliably determined and the inflow of the economic benefits related with the transaction to the Group is reasonably assured. Net sales represent the invoiced value of goods less any sales returns. Retail sales are done generally with cash or credit cards.

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

Sales of Goods

Revenue from sale of goods is recognized when all the following conditions are satisfied:

- The Group has transferred to the buyer all the significant risks and rewards of ownership of the goods,
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold,
- The amount of revenue can be measured reliably,
- It is probable that the economic benefits associated with the transaction will flow to the entity, and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Financial income

Profit shares income from participation banks are recognized in accrual basis.

Dividend income

Dividend income is recorded as income of the collection right transfer date. Dividend payables are recognized in the period that the profit distribution is declared.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in transit and demand deposits, and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value not used for investment purposes.

Trade receivables

Trade receivables comprise trade receivables, credit card receivables and other receivables with fixed or determinable payments and are not quoted in an active market; which have an average maturity of 10 days term (31 December 2014: 10 days) as of balance sheet date are measured at original invoice amount and if they have long term maturity, the imputing interest is netted off and the provision of doubtful receivable is deducted. Trade receivables, net of unearned financial income, are measured at amortized cost, using the effective interest rate method, less the unearned financial income. Short duration receivables with no stated interest rate and credit card receivables are measured at the original invoice. Estimate is made for the doubtful provision when the collection of the trade receivable is not probable. If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other operating income.

Inventories

Inventories are valued at the lower of cost or net realizable value. Costs comprise purchase cost and, where applicable and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined using the first-in, first-out (FIFO) method.

Rebates which generate from sales from ordinary operations are deducted from cost of inventories and associated with cost of sales.

Net realizable value is the estimated selling price less estimated costs necessary to realize sale.

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

Property, plant and equipment

All property and equipment is initially recorded at cost. Land and building are subsequently measured at revalued amounts which are the fair value at the date of the revaluation, based on valuations by external independent valuers, less subsequent depreciation for building. Group revaluates the amounts of their lands and buildings every 3 years unless there is a change in the circumstances. All other property and equipment is stated 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. On disposal of revalued assets, amounts in revaluation reserves relating to that asset are transferred to retained earnings.

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.

Increases in the carrying amount arising on revaluation of property are initially credited to revaluation reserve in shareholders' equity net of the related deferred tax. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against property and equipment revaluation reserve directly in equity; all other decreases are charged to the income statement.

Depreciation is provided on cost or revalued amount of property and equipment except for land and construction in progress on a straight-line basis. The depreciation periods for property and equipment, which approximate the estimated economic useful lives of such assets, are as follows:

	Duration (Years)
Land improvements	5
Buildings	25
Leasehold improvements	5- 10
Machinery and equipment	4- 10
Vehicles	5- 10
Furniture and fixtures	5- 10

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

When a revaluated asset is sold, revaluation reserve account is transferred to retained earnings.

Intangible assets

Intangible assets which mainly comprise software rights are measured initially at cost. Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise; and the cost of the asset can be measured reliably. After initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets excluding development costs, created within the business are not capitalized and expenditure is charged against profits in the year in which it is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortized on a straight line basis over the best estimate of their useful lives. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end.

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of income in the expense category consistent with the function of the intangible asset.

The Group does not have any intangible assets with indefinite useful lives.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the statement of income.

The recoverable amount of property and equipment is the greater of net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life while the net selling price is the amount obtainable from the sale of an asset after cost of sales deducted. For the purposes of assessing impairment, assets are grouped by regions which are determined operationally (cash-generating units).

Financial assets

Classification

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

Loans and receivables

Loans and 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 the reporting period. These are classified as non-current assets. Trade receivables and cash and cash equivalents are classified in this category.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives 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 of it within 12 months of the end of the reporting period.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised 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 and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'Other (losses)/gains - net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the group's right to receive payments is established.

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the group's right to receive payments is established.

Offsetting financial instruments

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

Recognition and derecognition of financial assets and liabilities

The Group recognizes a financial asset or financial liability in its balance sheet when only when it becomes a party to the contractual provisions of the instrument. The Group derecognizes a financial asset or a portion of it only when the control on rights under the contract is discharged. The Group derecognizes a financial liability when the obligation under the liability is discharged or cancelled or expires.

All the normal sales or purchase transactions of financial assets are recorded at the transaction date that the Group guaranteed to purchase or sell the financial asset. These transactions generally require the transfer of financial asset in the period specified by the general conditions and the procedures in the market.

All regular way financial asset purchase and sales are recognized at the date of the transaction, the date the Group committed to purchase or sell.

Impairment of financial assets

The Group assesses at each balance sheet date whether a financial asset is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognized in the consolidated statement of income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Provision for impairment is provided when there is an objective evidence of uncollectibility of trade receivables. Reserve is provided for the overdue uncollectible receivables. Also portfolio reserve is provided for the not due receivables based on certain criteria. The carrying amount of the receivable is reduced through use of an allowance account.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'Gains and losses from investment securities'.

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

Trade payables

Trade payables which generally have an average of 49 days term (31 December 2014: 48 days) are initially recorded at original invoice amount and carried at amortized cost less due date expense. Due date expense is accounted for under cost of sales. This amount is the fair value of consideration to be paid in the future for goods and services received, whether or not billed.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalized as part of the cost of that asset. Such borrowing costs are capitalized as part of the cost of the asset when it is probable that they will result in future economic benefits to the entity and the costs can be measured reliably. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Foreign currency transactions

Transactions in foreign currencies during the period have been translated at the exchange rates prevailing at the dates of such transactions. Exchange rate differences arising on reporting monetary items at rates different from those at which they were initially recorded or on the settlement of monetary items or are recognized in the comprehensive income statement in the period in which they arise.

Foreign currency conversion rates used by the Group for the related period ended are as follows:

	USD/TRY (full)	EUR/TRY (full)
31 December 2015	2,9076	3,1776
31 December 2014	2,3189	2,8207

Earnings per share

Earnings per share are determined by dividing net income by the weighted average number of shares that have been outstanding during the period concerned. The weighted average number of shares outstanding during the year has been adjusted in respect of free shares issued without corresponding increase in resources.

In Turkey, companies can raise their share capital by distributing "Bonus Shares" to shareholders from retained earnings. In computing earnings per share, such "Bonus Share" distributions are assessed as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

Events after balance sheet date

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

Provisions, contingent assets and contingent liabilities

i) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

ii) Contingent assets and liabilities

A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable. Contingent liabilities are not recognised in the financial statements but they are disclosed only, unless the possibility of an outflow of resources embodying economic benefits is probable.

Leases

Operating leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the statement of income on a straight-line basis over the lease term.

Related parties

a) A person or a close member of that person's family is related to a reporting entity if that person:

- i) has control or joint control over the reporting entity;
- ii) has significant influence over the reporting entity, or,
- iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b) An entity is related to a reporting entity if any of the following conditions applies:

- i) The entity and the reporting entity are members of the same group.
- ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- iii) Both entities are joint ventures of the same third party.
- iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- vi) The entity is controlled or jointly controlled by a person identified in (a).
- vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Income taxes

Current Income Taxes and Deferred Tax Expense

The tax expense for the period comprises current and deferred tax. Tax is recognized in the statement of income, except to the extent that it relates to items recognized directly in equity or other comprehensive income. In such case, the tax is recognized in shareholders' equity or other comprehensive income.

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 income 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 income 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 income tax asset is realized or the deferred income tax liability is settled.

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

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

Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

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

Statement of Cash Flows

The Group prepares statements of cash flows as an integral part of its 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.

Employee Benefits

a) Defined benefit plans:

In accordance with existing social legislation in Turkey, the Company is required to make lump-sum termination indemnity payments to each employee who has completed over one year of service with the Company and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. As detailed in Note 14, the employee benefit liability is provided for in accordance with TAS 19 "Employee Benefits" and is based on an independent actuarial study.

Actuarial gains and losses that calculated by professional actuaries, are recognized in the actuarial gain/loss fund regarding employee termination benefits in the equity. Recognized gains and losses shall not be transferred to comprehensive statement of income in the following periods. Reserve for employee termination benefits is recognized to financial statements that calculated with the discount rate estimated by professional actuarial.

b) Unused vacation

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.

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

BİM BİRLEŞİK MAĞAZALAR A.Ş. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

3. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers of the Group. The chief operating decision makers, who are responsible for allocation resources and assessing performance of the operating segments, have been identified as the senior management that makes strategic decisions.

The senior management of the Group makes strategic decisions as a whole over the operations of the Group as the Group operates in a single industry and operations outside Turkey do not present an important portion in overall operations. Based on those reasons, there is a single reportable segment in accordance with the provisions in TFRS 8 and segment reporting is not applicable.

4. Cash and cash equivalents

	31 December 2015	31 December 2014
Cash on hand	105.401	82.131
Banks		
-demand deposits	76.875	62.156
-profit share deposits	134.801	139.353
Cash in transit	31.712	41.828
	348.789	325.468
Less: accrual for profit share	(1.153)	(1.489)
Cash and cash equivalents for cash flow	347.636	323.979

As of 31 December 2015 and 31 December 2014 there is no restricted cash. As of 31 December 2015, profit share deposits are in TRY and the gross rate for profit share from participation banks for TRY is gross 8,25% per annum (31 December 2014: gross 8.5% per annum) and average maturity is 60 days (31 December 2014: 66 days). Since the profit share deposits are not used for investment purposes by the Group, are readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value, profit share deposits are classified as cash and cash equivalents.

5. Financial assets

a) Subsidiaries

The details of the subsidiaries and associates' financial investment of the Group are as below:

Name of subsidiary	Share	31 December 2015	31 December 2014
İdeal Standart İşletmecilik ve Mümessillik San. ve Tic. A.Ş. ^(*)	% 100	12.590	12.590
		12.590	12.590

^(*) As of 30 January 2012, the Group took over the shares of İdeal Standart İşletmecilik ve Mümessillik Sanayi ve Ticaret Anonim Şirketi ("İdeal Standart") by TRY12.590. İdeal Standart is carried at cost and since the financial statements of the Company are not material for the Group's consolidated financial statements or does not have a significant influence, are not included in the scope of consolidation and the ratio of total assets and turnover of the Company is less than 1% to the Group's consolidated total assets and turnover.

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

BİM BİRLEŞİK MAĞAZALAR A.Ş. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

b) Available-for-sale financial assets

The details of available-for-sale financial assets of the Group are as below:

Name of available-for-sale financial assets -	Share	31 December 2015	31 December 2014
Ziylan Mağazacılık ve Pazarlama A.Ş. (*)	% 11,5	169.165	144.900
		169.165	144.900

(*) Grup, Ziylan Grubu bünyesindeki Ziylan Mağazacılık ve Pazarlama Anonim Şirketi ("Ziylan") hisselerinin %11,5 oranındaki paylarını 144.900 TL bedel ile 2014 yılında satın almıştır. 31 Aralık 2015 tarihi itibarıyla ilgili satılmaya hazır finansal varlığın gerçeğe uygun değeri bağımsız bir değerlendirme şirketi tarafından indirgenmiş nakit akımları analizi yöntemi kullanılarak hesaplanmıştır. Ertelemiş vergi sonrası 19.412 TL tutarındaki satılmaya hazır finansal varlık makul değer artışı değişimi diğer kapsamlı gelir tablosunda yer alan "satılmaya hazır finansal varlıkların yeniden değerlendirme artışları" hesabında muhasebeleştirilmiştir.

6. Short-Term Financial Liabilities

The Group has interest free short term bank borrowings in amount of TRY20.260 (31 December 2014: TRY17.327) to pay SGK liabilities as of 31 December 2015. Such borrowings have been closed on 4 and 5 January 2016.

7. Trade receivables and payables

a) Trade receivables, other parties, net

	31 December 2015	31 December 2014
Credit card receivables	525.685	445.330
	525.685	445.330

As of 31 December 2015 the average term of credit card receivables is 10 days (31 December 2014: 10 days).

b) Trade payables, other parties, net

	31 December 2015	31 December 2014
Other trade payables	1.928.360	1.558.698
Unincurred rediscount expense (-)	(15.266)	(9.550)
	1.913.094	1.549.148

As of 31 December 2015 the average term of trade payables is 49 days (31 December 2014: 48 days). As of 31 December 2015 letters of guarantee and cheques are amounting to TRY46.127 and mortgages are amounting to TRY41.488 (31 December 2014: TRY33.435 letters of guarantee and cheques, TRY25.588 mortgages).

8. Other receivables and payables

a) Other receivables from related parties

	31 December 2015	31 December 2014
Receivables from related parties (*)	39.879	12.580
	39.879	12.580

(*) Receivables from related parties consist of advance given to Natura Gıda and the payable given to Ziylan Mağazacılık as of 31 December 2015 and 2014.

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

b) Other receivables from other parties

	31 December 2015	31 December 2014
Other receivables	4.287	3.082
Doubtful receivables	360	372
Less: Allowance for doubtful receivables	(360)	(372)
	4.287	3.082

Term receivables are recognized at original invoice amount and carried after provisions for doubtful receivables are discounted from the deduction. The allowance for doubtful receivables are estimated when it is not possible the collection of the receivable.

As of 31 December 2015 and 31 December 2014, the Group does not have any overdue receivables except for doubtful receivables.

Current period movement of allowance for doubtful receivables is as follows:

	31 December 2015	31 December 2014
Balance at the beginning of the period	372	398
Allowance for doubtful receivables	10	38
Collection in current year	(22)	(64)
Balance at the end of the period	360	372

9. Inventories

	31 December 2015	31 December 2014
Trade goods, net	963.155	794.473
Other	12.112	12.822
	975.267	807.295

Cost of inventories amounting to TRY14.888.114 (31 December 2014: TRY12.517.111) expensed under cost of sales.

The movement of impairment for inventories in 2015 is as follows:

	31 December 2015	31 December 2014
Balance at the beginning of the period	3.460	3.121
Current year reversal	(3.460)	(3.121)
Allowance for impairment	7.258	3.460
Balance at the end of the period	7.258	3.460

As of 31 December 2015, allowance for impairment on trade goods amounting to TRY7.258 (31 December 2014: TRY3.460). Amount of the goods that were written down are reversed and has been included in cost of sales in the income statement.

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

	1 January 2014	Additions	Disposals	Transfers	Currency translation difference	31 December 2014
Cost or revalued amount						
Land	213.714	77.298	-	-	444	291.456
Land improvements	4.905	1.173	-	16	-	6.094
Buildings	219.804	50.236	-	19.785	-	289.825
Leasehold improvements	349.909	82.466	(7.992)	81	2.176	426.640
Machinery and equipment	434.777	99.306	(10.119)	2.023	1.378	527.365
Vehicles	90.859	29.542	(13.671)	353	215	107.298
Furniture and fixtures	181.604	35.188	(4.300)	583	306	213.381
Construction in progress	2.514	32.522	(423)	(22.841)	64	11.836
	1.498.086	407.731	(36.505)	-	4.583	1.873.895
Less : Accumulated depreciation						
Land improvements	(2.873)	(774)	-	-	-	(3.647)
Buildings	(10.267)	(13.561)	-	-	-	(23.828)
Leasehold improvements	(133.650)	(36.832)	3.365	-	(480)	(167.597)
Machinery and equipment	(204.081)	(43.380)	5.950	-	(506)	(242.017)
Vehicles	(43.733)	(17.429)	9.776	-	(66)	(51.452)
Furniture and fixtures	(122.532)	(23.102)	3.555	-	(91)	(142.170)
	(517.136)	(135.078)	22.646	-	(1.143)	(630.711)
Net book value	980.950					1.243.184

Depreciation expense amounting to TRY154.543 (31 December 2014: TRY124.964) were accounted for in marketing expenses and TRY12.058 (31 December 2014: TRY10.114) in general and administrative expenses. The land and buildings were revalued and reflected to financial statements with their fair value. The book values of such assets were adjusted to the revalued amounts and the resulting surplus net of deferred income tax was credited to revaluation surplus in the equity. The revaluation surplus is not available for distribution to shareholders.

Had the revalued assets been carried at cost less accumulated depreciation, the carrying amounts of land and buildings would have been as follows as of 31 December 2015 and 31 December 2014, respectively:

	Land and building	
	31 December 2015	31 December 2014
Cost	676.605	532.715
Accumulated depreciation	(74.032)	(56.851)
	602.573	475.864

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

Fair values of land and buildings

An independent valuation of the group's land and buildings was performed by valuers to determine the fair value of the land and buildings as at 30 December 2015 and 31 December 2014. The revaluation surplus net of applicable deferred income taxes was credited to other comprehensive income and is shown in 'property and equipment revaluation reserve' in shareholders equity. The fair value of non-financial assets by valuation method is calculated by inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).

Valuation techniques used to derive level 2 fair values

Sale or purchase costs or tax deductions are not taken into account in assumption of Level 2 fair value of land and buildings. The most common valuation techniques used are market comparable method, cost and income approach including discounted cash flow analysis.

Market Comparable Method

A property's fair value is estimated based on comparison of sales and market data of similar or comparable properties. The revaluated property is compared with the sales of similar properties in the market or asked price and bid price.

Discounted Cash Flow Method

Value assumption is conducted through discount method by taking into account the data of expenditure and revenue belong to the revaluated property. The reduction is associated with value and revenue converting the amount of revenue to value assumption. Either the ratio of proceeds or/and discount should be taken into consideration. Within this approach, Direct Capitalization of Income and Cash Flow Analysis are applied predominantly. During the application of Direct Capitalization of Income, rental data belong to the similar real estate in the same region where the property based in has been used. Unless enough data for probable ratio of capitalization is attained, the method aforementioned has not been applied on.

Cost Approach

Instead of purchase of property, the probability of construction of the same of the property or another property provides the same benefit is taken into account. In practice the estimated value includes the amortization of old and less functional properties in case new one's cost exceeds the potential price to be paid for revaluation of the property.

It determines how transaction will be traded in the market and the approach and methods will be used in estimation of fair value of land and building. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into the valuation approach is price per square meter.

In the market comparable method, one of the methods applied during the valuation, room for negotiation has been considered and reconciliation has done for the positive and negative features of property with respect to the precedents.

Valuation processes of the Group

The Group's finance department reviews the fair value of land and buildings for reporting purposes. On an annual basis, the Group engages external, independent and CMB licensed valuation firm.

Revaluations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount as of balance sheet date. Group revaluates the amount of their lands and buildings every 3 years unless there is a change in the circumstances.

The fair values of the land and buildings (administrative building, warehouses and stores) of the Group have been determined by Harmoni Gayrimenkul Değerleme ve Danışmanlık A.Ş. who has CMB license, holds a recognised and relevant professional qualification and has recent experience in the location and category of the the land and buildings.

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

As of 31 December 2015, The fair value of land and buildings according to the revaluation reports is as follows:

Property and Equipment of type	Cost	Accumulated depreciation	Net book value	Fair value	Revaluation surplus, net
Land	157.823	-	157.823	326.767	168.944
Building	175.351	(29.914)	145.437	196.231	50.794

As of 31 December 2015, the fair value gain between the fair value and carrying amount is amounting to TRY219.738 recognized in property, plant and equipment in assets and "Property and equipment revaluation reserve" in liabilities. The fair value of land and buildings have been determined by harmonization of "Discounted Cashflow Analysis", "Direct Capitalization" and "Market Comparable Method".

The movement of revaluation fund of land and buildings of the Group is as follows:

	1 January - 31 December 2015	1 January - 31 December 2014
Balance at the beginning of the period	78.323	78.323
Increase in revaluation reserve	220.387	-
Deferred income tax on revaluation reserve	(18.753)	-
Balance at the end of the period	279.957	78.323

As of 31 December 2015 and 31 December 2014, the gross carrying amount of property and equipment and intangibles, which are fully depreciated, but still in use, is as follows:

	31 December 2015	31 December 2014
Machinery and equipment	87.321	83.322
Furniture and fixtures	101.692	86.175
Intangible assets and leasehold improvements	43.858	38.320
Vehicles	11.274	10.459
Land improvements	2.311	1.802
	246.456	220.078

Pledges and mortgages on assets

As of 31 December 2015 and 31 December 2014, there is no pledge or mortgage on property and equipment of the Group.

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

BİM BİRLEŞİK MAĞAZALAR A.Ş. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

11. Intangible assets

The movements of intangible assets and related accumulated amortization for the periods ended 31 December 2015 and 2014 are as follows:

	1 January 2015	Additions	Disposals	Currency translation differences	31 December 2015
Cost					
Rights	16.111	2.393	(32)	66	18.538
Other intangible assets	84	55	-	-	139
	16.195	2.448	(32)	66	18.677
Accumulated amortization					
Rights	(11.481)	(1.775)	24	(58)	(13.290)
Other intangible assets	(26)	(11)	-	-	(37)
	(11.507)	(1.786)	24	(58)	(13.327)
Net book value	4.688				5.350

	1 January 2014	Additions	Disposals	Currency translation differences	31 December 2014
Cost					
Rights	13.680	2.458	(59)	32	16.111
Other intangible assets	74	10	-	-	84
	13.754	2.468	(59)	32	16.195
Accumulated amortization					
Rights	(9.932)	(1.570)	43	(22)	(11.481)
Other intangible assets	(26)	-	-	-	(26)
	(9.958)	(1.570)	43	(22)	(11.507)
Net book value	3.796				4.688

As of 31 December 2015 amortization expense amounting to TRY1.657 (31 December 2014: TRY1.453) has been charged in marketing expenses and TRY129 (31 December 2014: TRY117) in general and administrative expenses.

The intangible assets are amortized over estimated useful life which is 5 years. Major part of the rights is software licenses.

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

12. Provisions, contingent assets and liabilities

a) Short term for employee benefits

Unused vacation amounting to TRY2.555 is shown on the current provisions for employee benefits amounting in the Group account of short term provisions for the period ended 31 December 2015 (31 December 2014: TRY2.761).

Current period movement of short term unused vacation provision is as follows;

	1 January - 31 December 2015	1 January - 31 December 2014
Balance at the beginning of the period	2.761	3.377
Reversals during period	(2.761)	(3.377)
Provision amount	2.555	2.761
Balance at the end of the period	2.555	2.761

b) Other short term provisions

	31 December 2015	31 December 2014
Legal provisions ^(*)	13.150	12.765
Other	10.466	9.809
Total	23.616	22.574

^(*)As of 31 December 2015 and 31 December 2014, the total amount of outstanding lawsuits filed against the Group, TRY20.319 and TRY18.897 (in historical terms), respectively. The Group recognized provisions amounting to TRY13.150 and TRY12.765 for the related periods, respectively.

Current period movement of provision for lawsuits is as follows;

	1 January- 31 December 2015	1 January - 31 December 2014
Balance at the beginning of the period	12.765	7.770
Provision amount, net	385	4.995
Balance at the end of the period	13.150	12.765

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

BİM BİRLEŞİK MAĞAZALAR A.Ş. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

Letter of guarantees, mortgages and pledges given by the Group

As of 31 December 2015 and 31 December 2014, breakdown of the guarantees, mortgage and pledges given by the Group is as follows:

	Total TRY equivalent	31 December 2015			Moroccan Dirham
		TRY	USD	Euro	
A. Total amount of guarantees, pledges and mortgages given in the name of	14.237	13.510	250.000	-	-
<i>Guarantee</i>	14.237	13.510	250.000	-	-
<i>Pledge</i>	-	-	-	-	-
<i>Mortgage</i>	-	-	-	-	-
B. Total amount of guarantees, pledges and mortgages given in favor of the parties which are included in the scope of full consolidation	-	-	-	-	-
<i>Guarantee</i>	-	-	-	-	-
<i>Pledge</i>	-	-	-	-	-
<i>Mortgage</i>	-	-	-	-	-
C. Total amount of guarantees, pledges and mortgages given to third parties for their liabilities in the purpose of conducting the ordinary operations	-	-	-	-	-
D. Total amount of other guarantees, pledges and mortgages	-	-	-	-	-
<i>i.</i> Total amount of guarantees, pledges and mortgages given in favor of parent Company	-	-	-	-	-
<i>ii.</i> Total amount of guarantees, pledges and mortgages given in favor of other group companies which are not covered in B and C above	-	-	-	-	-
<i>iii.</i> Total amount of guarantees, pledges and mortgages given in favor of 3rd parties which are not covered in C above	-	-	-	-	-
Total	14.237	13.510	250.000	-	-

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

	Total TRY equivalent	31 December 2014			Moroccan Dirham
		TRY	USD	Euro	
A. Total amount of guarantees, pledges and mortgages given in the name of	10.888	9.393	250.870	-	3.414.425
<i>Guarantee</i>	10.888	9.393	250.870	-	3.414.425
<i>Pledge</i>	-	-	-	-	-
<i>Mortgage</i>	-	-	-	-	-
B. Total amount of guarantees, pledges and mortgages given in favor of the parties which are included in the scope of full consolidation	-	-	-	-	-
<i>Guarantee</i>	-	-	-	-	-
<i>Pledge</i>	-	-	-	-	-
<i>Mortgage</i>	-	-	-	-	-
C. Total amount of guarantees, pledges and mortgages given to third parties for their liabilities in the purpose of conducting the ordinary operations	-	-	-	-	-
D. Total amount of other guarantees, pledges and mortgages	-	-	-	-	-
i. Total amount of guarantees, pledges and mortgages given in favor of parent Company	-	-	-	-	-
ii. Total amount of guarantees, pledges and mortgages given in favor of other group companies which are not covered in B and C above	-	-	-	-	-
iii. Total amount of guarantees, pledges and mortgages given in favor of 3rd parties which are not covered in C above	-	-	-	-	-
Total	10.888	9.393	250.870	-	3.414.425

Insurance coverage on assets

As of 31 December 2015 and 31 December 2014, insurance coverage on assets of the Group is TRY1.221.416 and TRY975.858 respectively.

13. Prepaid expenses

a) Short term prepaid expenses

	31 December 2015	31 December 2014
Order advances given	115.302	95.156
Other	5.406	9.492
	120.708	104.648

b) Long term prepaid expenses

	31 December 2015	31 December 2014
Advances given for property, plant and equipment	23.851	14.909
Other	6.364	914
	30.215	15.823

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

14. Employee termination benefits

	31 December 2015	31 December 2014
Provision for employee termination benefits	60.368	47.985
Provision for unused vacation	3.757	4.158
Total	64.125	52.143

Under the Turkish Labor Law, the Group is required to pay employment termination 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: 2422 dated 6 March 1981 and No: 4447 dated 25 August 1999 and the amended Article 60 of the existing Social Insurance Code No: 506.

The amount payable consists of one month's salary limited to a maximum of TRY3.828,37 for each period of service as of 31 December 2015 (31 December 2014: TRY3.438,22). The retirement pay provision ceiling is revised semi-annually, and TRY4.092,53 which is effective from 1 January 2016, is taken into consideration in the calculation of provision for employment termination benefits (effective from 1 January 2015: TRY3.541,37). Liability of employment termination benefits is not subject to any funding as there is not any 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) is accounted in the statement of comprehensive income under "Actuarial gain/loss from defined benefit plans".

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 2015 and 31 December 2014 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 using real discount rate of 4,25% by assuming an annual inflation rate of 6,0% (31 December 2014: 5,5 %) and a discount rate of 10,50% (31 December 2014: 9%). The anticipated rate of forfeitures that occurred on voluntary turnovers is considered.

Significant actuarial assumptions are as follows;

The voluntary and involuntary turnover rates used in the calculation of employee termination benefit are 30,29 % and 8,54%, (31 December 2014: %30,96 and %8,97) respectively and the rates are calculated as weighted average of various age groups of each specific employee. Average service year is 2,74 for women, 4,38 for men and 3,78 years in total. Retirement age of women and men are 50 and 55 respectively and 53,19 for the Group.

If the discount rate used in calculation of employee termination benefits had been 10% instead of 10,5%, total provision would be TRY61.820 and if the discount rate had been 11%, total provision would be TRY58.97. The aforementioned sensitivity analyses is based on a change in discount rate while holding all other assumptions constant.

The following tables summarize the components of net benefit expense recognized in the comprehensive statement of income and amounts recognized in the balance sheet:

	1 January - 31 December 2015	1 January - 31 December 2014
Current service cost (Note 19)	9.675	6.973
Financial expense of employee termination benefit (Note 22)	3.979	3.206
Total	13.654	10.179

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

Changes in the carrying value of defined benefit obligation are as follows

	1 January - 31 December 2015	1 January - 31 December 2014
Balance at the beginning of the period	47.985	34.670
Financial expense of employee termination benefit	3.979	3.206
Current service cost	9.675	6.973
Benefits paid	(13.281)	(11.061)
Actuarial loss for the period	12.010	14.197
Balance at the end of the period	60.368	47.985

15. Other assets and liabilities

a) Other current assets

	31 December 2015	31 December 2014
VAT receivable	13.149	19.818
Other	4.684	4.186
	17.833	24.004

b) Other current liabilities

	31 December 2015	31 December 2014
Taxes and funds payables	40.296	33.051
Other	6.048	2.200
	46.344	35.251

As of 31 December 2015 and 31 December 2014, the Group does not have any other long-term liability.

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

16. Equity

a) Share capital and capital reserves

As of 31 December 2015 and 31 December 2014, the breakdown of shareholders and their ownership percentages in the Company are summarized as follows:

	31 December 2015		31 December 2014	
	Historical cost	(%)	Historical cost	(%)
Mustafa Latif Topbaş	44.877	14,8	45.877	15,1
Ahmet Afif Topbaş	28.500	9,4	28.500	9,4
Abdulrahman A. El Khereiji	6.072	2,0	10.626	3,5
Firdevs Çizmeci	3.500	1,1	3.500	1,1
Fatma Fitnat Topbaş	3.036	1,0	3.036	1,0
Ahmed Hamdi Topbaş	1.600	0,5	600	0,2
Ahmet Hamdi Topbaş	520	0,2	520	0,2
Ömer Hulusi Topbaş	360	0,1	360	0,1
Publicly traded	215.135	70,9	210.581	69,4
	303.600	100	303.600	100

The Company's share capital is fully paid and consists of 303.600.000 (31 December 2014: 303.600.000) shares of TRY1 nominal value each.

Revaluation surplus

As of 31 December 2015 the Group has revaluation surplus amounting TRY279.957 (31 December 2014: TRY78.323) related to revaluation of land and buildings (Note 10). The revaluation surplus is not available for distribution to shareholders.

b) Restricted reserves and retained earnings

The legal reserves consist of first and second legal reserves, per the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of net statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's historical paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the historical paid-in share capital. Under TCC, the legal reserves are not available for distribution unless they exceed 50% of the historical paid-in share capital but may be used to offset losses in the event that historical general reserve is exhausted.

The statutory accumulated profits and statutory current year profit are available for distribution, subject to the reserve requirements referred to above and Turkish Capital Market Board (CMB) requirements related to profit distribution.

Listed companies distribute dividend in accordance with the Communiqué No. II-19.1 issued by the CMB which is effective from February 1, 2014.

Companies distribute dividends in accordance with their dividend payment policies settled and dividend payment decision taken in general assembly and also in conformity with relevant legislations. The communiqué does not constitute a minimum dividend rate. Companies distribute dividend in accordance with the method defined in their dividend policy or articles of incorporation. In addition, dividend can be distributed by fixed or variable installments and advance dividend can be paid in accordance with profit on financial statements of the Company.

In accordance with the Turkish Commercial Code (TCC), unless the required reserves and the dividend for shareholders as determined in the article of association or in the dividend distribution policy of the company are set aside, no decision may be made to set aside other reserves, to transfer profits to the subsequent year or to distribute dividends to the holders of usufruct right certificates, to the members of the board of directors or to the employees; and no dividend can be distributed to these persons unless the determined dividend for shareholders is paid in cash.

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

Dividend distribution policy of the Company is in line with the CMB Law numbered 6362 dated 30 December 2012.

Inflation adjustment to shareholders' equity and book value of extraordinary reserves can be used as an internal source in capital, dividend distribution in cash or net-off against prior years' loss. In case the inflation adjustment to shareholders' equity is used for dividend distribution in cash, the distribution is subject to corporate tax.

As of 31 December 2015 and 31 December 2014 legal reserves, prior year profits and net income for the period in statutory accounts which is prepared in accordance with Tax Procedural Law of the Company are as follows:

	31 December 2015	31 December 2014
Legal reserves	203.398	169.541
Extraordinary reserves	377.112	239.717
Net profit for the period	644.675	444.270
	1.225.185	853.528

As of 31 December 2015, net profit for the Company's statutory books is TRY644.675 (31 December 2014: TRY444.270) and net profit per consolidated financial statements in accordance with CMB accounting standards is TRY583.131 (31 December 2014: TRY395.299).

c) Treasury shares

With a view that the shares of the Company do not reflect the actual performance of the operations of the Company due to the fluctuations in the market, and as part of the resolution of the Board of Directors on 5 March 2015, CFO has been duly authorized for an amount up to TRY150.000.000 (TRY full) to repurchase the shares of the Company from the stock exchange and the upper price has been limited as TRY47 (TRY full) for such buy-back operations. As part of such buy-back operation between 11 March-19 March 2015, 0,15% of shares of the Company that 446.115 (TRY full) units of BİM shares corresponding to TRY19.601.546 (TRY full) have been repurchased and financed through own resources of the Company.

Buy back operation terminated as a result by itself with the resolution of 2014 General Assembly Meeting dated 15 April 2015 and all shares repurchased have been sold as of 31 December 2015. The gain on sale of shares amounting to TRY4.018 and dividend payment on these shares amounting to TRY223 has been presented in retained earnings and the repurchased shares have been booked in equity.

Dividend paid

As part as the resolution of General Assembly on 15 April 2015, cash profit distribution is decided to be paid in two installments. First installment amounting to gross TRY151.577 and second installment amounting to gross TRY121.440 are paid as of the reporting date (2014: TRY242.733).

17. Sales and cost of sales

a) Net Sales

The Group's net sales for the periods ended 31 December 2015 and 2014 are as follows:

	1 January - 31 December 2015	1 January - 31 December 2014
Sales	17.489.006	14.517.702
Sales returns (-)	(60.509)	(54.643)
	17.428.497	14.463.059

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

b) Cost of sales

	1 January - 31 December 2015	1 January - 31 December 2014
Beginning inventory	794.473	631.847
Purchases	14.780.765	12.399.660
Ending inventory (-)	(963.155)	(794.473)
	14.612.083	12.237.034

18. Operational Expenses**a) Marketing expenses**

	1 January - 31 December 2015	1 January - 31 December 2014
Personnel expenses	856.838	704.778
Rent expenses	423.155	351.240
Depreciation and amortization expenses	156.200	126.417
Electricity, water and communication expenses	96.987	78.161
Packaging expenses	94.117	73.287
Advertising expenses	49.011	40.715
Trucks fuel expense	45.734	48.483
Maintenance and repair expenses	37.198	29.936
Tax and duty expenses	13.728	12.125
Provision for employee termination benefit	8.061	5.831
Other	63.961	50.282
	1.844.990	1.521.255

b) General and administrative expenses

	1 January - 31 December 2015	1 January - 31 December 2014
Personnel expenses	180.010	145.033
Legal and consultancy expenses	15.449	10.995
Depreciation and amortization expenses	12.187	10.231
Vehicle rent expenses	10.014	5.106
Motor vehicle expenses	8.686	9.406
Money collection expenses	8.145	7.067
Tax and duty expenses	7.510	6.279
Provision for employee termination benefits	1.614	1.142
Communication expenses	1.399	1.290
Office supplies expenses	1.024	830
Other	28.517	25.536
	274.555	222.915

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

19. Expenses by nature

a) Depreciation and amortisation expenses

	1 January - 31 December 2015	1 January - 31 December 2014
Marketing and selling expenses	156.200	126.417
General and administrative expenses	12.187	10.231
	168.387	136.648

b) Personnel expenses

	1 January - 31 December 2015	1 January - 31 December 2014
Wages and salaries	907.119	739.037
Social security premiums - employer contribution	129.729	110.774
Provision for employee termination benefits (Note 14)	9.675	6.973
	1.046.523	856.784

20. Other operating income and expense

a) Other Operating Income

	1 January - 31 December 2015	1 January - 31 December 2014
Gain on sale of scraps	7.925	8.143
Other income from operations	19.248	12.468
	27.173	20.611

b) Other Operating Expense

	1 January - 31 December 2015	1 January - 31 December 2014
Provision expenses	3.461	5.915
Other	2.769	1.552
	6.230	7.467

21. Financial Income

	1 January - 31 December 2015	1 January - 31 December 2014
Foreign exchange gains	22.161	3.923
Income on profit share account deposits	14.142	17.754
	36.303	21.677

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

22. Financial Expenses

	1 January - 31 December 2015	1 January - 31 December 2014
Finance charge on employee termination	3.979	3.206
Foreign exchange losses	1.766	4.652
Other financial expenses	745	977
	6.490	8.835

23. Income and expense from investing activities

a) Income from Investing Activities

	1 January - 31 December 2015	1 January - 31 December 2014
Gain on sale of property, plant and equipment	1.348	594
Dividend income	-	3.491
	1.348	4.085

b) Expense from Investing Activities

None (1 January- 31 December 2014: None).

24. Tax assets and liabilities

As of 31 December 2015 and 31 December 2014, provision for taxes of the Group is as follows:

	31 December 2015	31 December 2014
Current income tax provision	162.882	113.071
Current tax assets (Prepaid taxes)	(128.235)	(89.925)
Corporate tax payable	34.647	23.146

In Turkey, as of 31 December 2015, corporate tax rate is 20% (31 December 2014: 20%). Corporate tax returns are required to be filed by the twenty-fifth day of the fourth month following the balance sheet date and taxes must be paid in one installment by the end of the fourth month. The tax legislation provides for a temporary tax of 20% to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the year.

In Morocco, as of 31 December 2015 the corporate tax rate is 30% (31 December 2014: 30%) where the consolidated subsidiary of the Company, BIM Stores SARL operates. In Egypt, as of 31 December 2015 the corporate tax rate is 22,5% (31 December 2014 :22,5%) where the consolidated subsidiary of the Company, BIM Stores LLC operates.

There is no taxable temporary differences related with the consolidated subsidiaries for which the Company recognised deferred tax liability (31 December 2014: None).

Corporate tax losses can be carried forward for a maximum period of 5 years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

15% withholding tax rate applies to dividends distributed by resident corporations resident real persons except for, those who are not liable to income and corporation tax, non-resident real persons, non-resident corporations. Dividend distribution by resident corporations to resident corporations is not subject to a withholding tax. Furthermore, in the event the profit is not distributed or included in capital, no withholding tax shall be applicable.

As of 31 December 2015 and 31 December 2014, temporary differences based for deferred tax and deferred tax asset and liability calculated by using applicable tax rates are as follows:

	Balance sheet		Comprehensive income	
	31 December 2015	31 December 2014	1 January - 31 December 2015	1 January - 31 December 2014
<i>Deferred tax liability</i>				
Tangible and intangible assets, except the effect of revaluation effect	30.096	27.005	3.091	6.040
The effect of the revaluation of land and buildings	23.291	4.538	18.753	-
Financial asset the effect of revaluation effect	4.853	-	4.853	-
Other adjustments	2.596	2.101	495	398
<i>Deferred tax asset</i>				
Reserve for employee termination benefit	(12.074)	(9.597)	(2.477)	(2.663)
Other adjustments	(12.599)	(10.469)	(2.130)	(2.927)
Currency translation difference	-	-	(186)	(71)
Deferred tax	36.163	13.578	22.399	777

Deferred tax is presented in financial statements as follows:

	31 December 2015	31 December 2014
Deferred tax assets	1.627	1.481
Deferred tax liabilities	(37.790)	(15.059)
Net deferred tax liability	(36.163)	(13.578)

Movement of net deferred tax liability for the periods ended 31 December 2015 and 2014 are as follows:

	1 January - 31 December 2015	1 January - 31 December 2014
Balance at the beginning of the period	13.578	12.730
Deferred tax expense/(income) recognized in statement of comprehensive income, net	1.195	3.616
Deferred tax expense/(income) recognized in statement of other comprehensive income	21.204	(2.839)
- Revaluation gain of available-for-sale financial assets	4.853	-
- Revaluation gain on property, plant and equipment	18.753	-
- Actuarial losses on defined benefit plans	(2.402)	(2.839)
Foreign currency translation differences	186	71
Balance at the end of the period	36.163	13.578

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

BİM BİRLEŞİK MAĞAZALAR A.Ş. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

Tax reconciliation

	1 January - 31 December 2015	1 January - 31 December 2014
Profit before tax	748.973	511.926
Corporation tax at effective tax rate of 20%	(149.795)	(102.385)
Disallowable expenses	(867)	(469)
Effect of non-tax deductible and tax exempt items	372	154
Tax rate effect of the consolidated subsidiary	(4.200)	(3.177)
Other	(11.352)	(10.750)
	(165.842)	(116.627)
- Current	(164.647)	(113.011)
- Deferred	(1.195)	(3.616)

25. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares outstanding during the period. All shares of the Company are in same status.

For the periods ended 31 December 2015 and 2014, the movement of shares numbers is as follows:

	1 January - 31 December 2015	1 January - 31 December 2014
Earnings per share		
Average number of shares at the beginning of the period (thousand)	303.600	303.600
Net profit of the year	583.131	395.299
	1,921	1,302

26. Related party disclosures

a) Due to related parties

Due to related parties balances as of 31 December 2015 and 31 December 2014 are as follows:

Payables related to goods and services received:

	31 December 2015	31 December 2014
Başak Gıda Dağıtım ve Pazarlama A.Ş. (Başak) ⁽¹⁾	67.750	57.588
Türkuvaz Plastik ve Tem. Ürün. Tic. A.Ş. (Türkuvaz) ⁽¹⁾	56.190	34.042
Aktül Kağıt Üretim Pazarlama A.Ş. (Aktül) ⁽¹⁾	30.215	16.782
Hedef Tüketim Ürünleri San. ve Dış Tic. A.Ş. (Hedef) ⁽¹⁾	26.731	36.763
Sena Muhtelif Ürün Paketleme Gıda Sanayi ve Tic. Ltd.Şti. (Sena) ⁽³⁾	7.482	6.058
Aytaç Gıda Yatırım San. Ve Ticaret A.Ş. (Aytaç) ⁽¹⁾	4.295	-
İdeal Standart İşletmecilik ve Mümessillik San. ve Tic. A.Ş. (İdeal Standart) ⁽²⁾	2.578	2.311
Natura Gıda Sanayi ve Ticaret A.Ş. (Natura) ⁽¹⁾	360	1.315
Proline Bilişim Sistemleri ve Ticaret A.Ş. (Proline) ⁽¹⁾	133	1
Avansas Ofis Malzemeleri Ticaret A.Ş. (Avansas) ⁽¹⁾	130	4
Ak Gıda A.Ş. (Ak Gıda) ⁽¹⁾	-	101.494
	195.864	256.358

⁽¹⁾ Companies owned by shareholders of the Company.

⁽²⁾ Subsidiaries of the Group.

⁽³⁾ Other related party.

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

BİM BİRLEŞİK MAĞAZALAR A.Ş. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

b) Related party transactions

For the periods ended 31 December 2015 and 2014, summary of the major transactions with related parties are as follows:

i) Purchases from related parties during the periods ended 31 December 2015 and 2014 are as follows:

	1 January - 31 December 2015	1 January - 31 December 2014
Başak ⁽¹⁾	544.669	448.475
Ak Gıda ^{(1)(*)}	512.769	860.587
Turkuvaz ⁽¹⁾	244.467	161.751
Hedef ⁽¹⁾	211.136	163.691
Aktül ⁽¹⁾	118.571	68.293
Natura ⁽¹⁾	100.988	83.177
Sena ⁽³⁾	35.108	27.791
Aytaç ⁽¹⁾	29.280	-
İdeal Standart ⁽²⁾	12.218	11.250
Proline ⁽¹⁾	2.246	1.657
Avansas ⁽¹⁾	1.740	253
Bahariye ⁽¹⁾	960	3.175
Seher ^{(1)(*)}	705	141
Bahar Su ⁽¹⁾	-	48
	1.814.857	1.830.289

⁽¹⁾ Companies owned by shareholders of the Company.

⁽²⁾ Subsidiaries of the Group.

⁽³⁾ Other related party.

^(*) Ak Gıda A.Ş and Seher Gıda are released from related party by 20 July 2015 and 14 August 2015 as a result of sale of majority shares and management change of the Company. The purchases in 2015 reflect the period up to that date.

ii) For the periods ended 31 December 2015 and 2014 salaries, bonuses and compensations provided to board of directors and key management comprising of 134 and 129 personnel, respectively, are as follows:

	1 January - 31 December 2015	1 January - 31 December 2014
Short-term benefits to employees	36.444	34.178
Long-term defined benefits	2.394	1.889
Total benefits	38.838	36.067

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

27. Financial Instruments and Financial Risk Management

The Group is exposed to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and profit share rates. These risks are market risk (including foreign currency risk and profit share rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

The Group's principal financial instruments comprise cash and short-term interest free bank loans. The main purpose of using these financial instruments is to raise finance for the Group's operations. The Group has other financial instruments such as trade receivables and payables which arise directly from its operations. The Group manages its capital through cash provided by its operations and review of the maturities of the trade payables.

Price risk

Price risk is a combination of foreign currency, profit share and market risk. The Group naturally manages its price risk by matching the same foreign currency denominated receivable and payables and assets and liabilities bearing profit share. The Group closely monitors its market risk by analyzing the market conditions and using appropriate valuation methods.

Profit share rate risk

The Group does not have material profit share rate sensitive asset. The Group's income and cash flows from operations are independent from profit share rate risk.

The Group's profit share rate risk mainly comprises of outstanding short-term borrowings in the prior period. The Group's forthcoming loans in order to continue its operating activities are effected from forthcoming profit share ratios.

Profit share rate position table

According to IFRS 7 "Financial Assets", the profit share rate position of the Group is as follows:

Profit share position table		Current period	Previous period
Fixed profit share bearing financial instruments			
Financial assets	Profit share deposits	134.801	139.353
Financial liabilities		-	-
Variable profit share bearing financial instruments			
Financial assets		-	-
Financial liabilities		-	-

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Since the Group is engaged in the retail sector and transactions are mainly on a cash basis or has 1 month maturity credit card collections, the exposure to credit and price risk is minimal.

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

Credit risk table (Current period - 31 December 2015)

	Receivables							
	Credit card receivables		Trade and other receivables		Bank deposits		Financial assets	
	Related party	Other party	Related party	Other party	Related party	Other party	Related party	Other party
Maximum credit risk exposures as of report date (A+B+C+D+E)	-	525.685	39.879	4.287	-	211.676	181.755	-
- Maximum risk secured by guarantees etc.	-	-	-	-	-	-	-	-
A. Net book value of financial assets neither overdue nor impaired	-	525.685	39.879	4.287	-	211.676	181.755	-
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	-	-	-	-	-	-	-
- The part under guarantee with collateral etc.	-	-	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-	-	-
- Past due (gross carrying amount)	-	-	-	360	-	-	-	-
- Impairment	-	-	-	(360)	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-	-	-
- Impairment	-	-	-	-	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-	-

Credit risk table (Prior period - 31 December 2014)

	Receivables							
	Credit card receivables		Trade and other receivables		Bank deposits		Financial assets	
	Related party	Other party	Related party	Other party	Related party	Other party	Related party	Other party
Maximum credit risk exposures as of report date (A+B+C+D+E)	-	445.330	12.580	3.082	-	201.509	157.490	-
- Maximum risk secured by guarantees etc.	-	-	-	-	-	-	-	-
A. Net book value of financial assets neither overdue nor impaired	-	445.330	12.580	3.082	-	201.509	157.490	-
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	-	-	-	-	-	-	-
- The part under guarantee with collateral etc.	-	-	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-	-	-
- Past due (gross carrying amount)	-	-	-	372	-	-	-	-
- Impairment	-	-	-	(372)	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-	-	-
- Impairment	-	-	-	-	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-	-

There is an insignificant amount of foreign currency denominated assets and liabilities so the Company does not use derivative financial instruments or future contracts to reduce the risk of foreign currency.

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

Exchange rate risk

The following table demonstrates the sensitivity to a possible change in the U.S. Dollar and Euro exchange rates, with all other variables held constant, of the Group's profit before tax as of 31 December 2015 and 31 December 2014:

	Exchange rate sensitivity analysis			
	Current Period		Equity	
	Profit & Loss			
	Foreign currency appreciation	Foreign currency devaluation	Foreign currency appreciation	Foreign currency devaluation
<i>Increase/ Decrease of 10% in value of U.S. Dollar against TRY:</i>				
1- U.S Dollar net asset/(liability)	149	(149)	-	-
2- Protected part from U.S Dollar risk(-)	-	-	-	-
3- U.S Dollar net effect (1+2)	149	(149)	-	-
<i>Increase/Decrease of 10% in value of Euro against TRY</i>				
4- Euro net asset/(liability)	35	(35)	-	-
5- Protected part from Euro risk (-)	-	-	-	-
6- Euro net effect (4+5)	35	(35)	-	-
<i>Increase/Decrease of 10% in value of GBP against TRY :</i>				
7- GBP net asset/(liability)	2	(2)	-	-
8- Protected part from GBP risk (-)	-	-	-	-
9- GBP net effect (7+8)	2	(2)	-	-
Total (3+6+9)	186	(186)	-	-

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

31 December 2014

	Exchange rate sensitivity analysis			
	Current Period		Equity	
	Profit & Loss		Foreign	Foreign
	Foreign	Foreign	currency	Foreign
	currency	currency	currency	currency
	appreciation	devaluation	appreciation	devaluation
Increase/ Decrease of 10% in value of U.S. Dollar against TRY:				
1- U.S Dollar net asset/(liability)	23	(23)	-	-
2- Protected part from U.S Dollar risk(-)	-	-	-	-
3- U.S Dollar net effect (1+2)	23	(23)	-	-
Increase/Decrease of 10% in value of Euro against TRY				
4- Euro net asset/(liability)	2	(2)	-	-
5- Protected part from Euro risk (-)	-	-	-	-
6- Euro net effect (4+5)	2	(2)	-	-
Increase/Decrease of 10% in value of GBP against TRY :				
7- GBP net asset/(liability)	4	(4)	-	-
8- Protected part from GBP risk (-)	-	-	-	-
9- GBP net effect (7+8)	4	(4)	-	-
Total (3+6+9)	29	(29)	-	-

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

The ability to fund existing and prospective debt requirements is managed by maintaining the availability of adequate committed funding lines from high quality lenders.

As of 31 December 2015 and 31 December 2014, maturities of undiscounted trade payables and financial liabilities of the Group are as follows:

31 December 2015

Contractual maturities	Book value	Total cash outflow	Less than 3 months	3 -12 months	1 - 5 years	More than 5 years
Non derivative financial liabilities						
Trade payables	1.913.094	1.928.360	1.928.360	-	-	-
Due to related parties	195.864	197.123	197.123	-	-	-

31 December 2014

Contractual maturities	Book value	Total cash outflow	Less than 3 months	3 -12 months	1 - 5 years	More than 5 years
Non derivative financial liabilities						
Trade payables	1.549.148	1.558.698	1.558.698	-	-	-
Due to related parties	256.358	257.923	257.923	-	-	-

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

BİM BİRLEŞİK MAĞAZALAR A.Ş. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

Capital risk management

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

The Group monitors capital on the basis of the gearing ratio. Net debt is calculated as total liabilities less cash and cash equivalents.

The gearing ratios at 31 December 2015 and 31 December 2014 are as follows:

	31 December 2015	31 December 2014
Total liabilities	2.497.426	2.088.600
Less: Cash and cash equivalents	(348.789)	(325.468)
Net debt	2.148.637	1.763.132
Total equity	1.670.359	1.149.531
Total equity+net debt	3.818.996	2.912.663
Net debt/(Total equity + net debt)	56%	61%

28. Financial instruments (fair value disclosures and disclosures in the frame of hedge accounting)

Fair value estimation

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

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

The following table presents the group's financial assets and liabilities that are measured at fair value at 31 December 2015 and 31 December 2014. See note 10 for disclosures of the land and buildings that are measured at fair value.

31 December 2015	Level 1	Level 2	Level 3	Total
Available for sale financial assets				
Retail industry	-	169.165	-	169.165
Total assets	-	169.165	-	169.165
31 December 2014	Level 1	Level 2	Level 3	Total
Available for sale financial assets				
Retail industry	-	144.900	-	144.900
Total assets	-	144.900	-	144.900

There were no transfers between levels during year.

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

(AMOUNTS EXPRESSED IN THOUSANDS OF TURKISH LIRA ("TRY") UNLESS OTHERWISE STATED AND ALL OTHER CURRENCIES ARE EXPRESSED IN FULL AMOUNTS UNLESS OTHERWISE STATED.)

(a) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments,
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves,
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value,
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

As of 31 December 2015 and 2014, except for the available for sale financial assets disclosed in Note 5, the fair values of certain financial assets carried at cost including cash and cash equivalents profit share accruals and other short term financial assets are considered to approximate their respective carrying values due to their short-term nature. The carrying value of trade receivables along with the related allowance for unearned income and uncollectibility are estimated to be their fair values.

- Financial liabilities

Financial liabilities of which fair values approximate their carrying values:

Fair values of trade payables and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. The bank borrowings are stated at their amortized costs and transaction costs are included in the initial measurement of loans and bank borrowings. The fair value of bank borrowings with variable rates are considered to approximate their respective carrying values since the profit share rate applied to bank loans and borrowings are updated periodically by the lender to reflect active market price quotations. The carrying value of trade payables along with the related allowance for unrealized cost is estimated to be their fair values.

29. Events after balance sheet date

None.

HARRAS



SLICED VEAL SAUSAGE



HOT PEPPER PASTE



HARRAS BLENDED TEA



SUGAR FREE FIG JAM



TURKISH COFFEE



HAZELNUT CHOCOLATE



WHOLE MILK



HARRAS GARNITURE

DAYCARE



LAVENDER HAND SOAP



BODY SPRAY



SHOWER GEL



HAND CREAM

ACTISOFT



BLEACH



GLASS CLEANER BLUE



RINSE AID



STAIN REMOVER



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