

BİM BİRLEŐİK MAĐAZALAR A.Ő.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2014**

(ORIGINALLY ISSUED IN TURKISH)

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

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**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2014**

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FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

BİM BİRLEŞİK MAĞAZALAR A.Ş.

**CONSOLIDATED BALANCE SHEETS
AT 30 SEPTEMBER 2014 AND 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

ASSETS		30 September 2014	31 December 2013
	Notes	Not Reviewed	Audited
Current assets		1.884.287	1.575.925
Cash and cash equivalents	4	396.530	405.493
Trade receivables	7	431.204	344.835
- Due from related parties		-	-
- Trade Receivables, Other Parties		431.204	344.835
Other receivables	8	15.798	16.973
- Due from related parties		12.363	14.562
- Other receivables, Other parties		3.435	2.411
Inventory	9	874.070	638.474
Prepaid expenses	13	84.915	68.836
Current income tax assets	24	58.296	84.365
Other current assets	15	23.474	16.949
Non-current assets		1.351.140	1.121.345
Financial investments	5	157.490	118.031
Other receivables		3.115	3.188
- Due from related parties		-	-
- Trade Receivables, Other Parties		3.115	3.188
Property and equipment	10	1.166.942	980.950
Intangible assets	11	4.695	3.796
- Other intangible assets		4.695	3.796
Prepaid expenses	13	17.334	14.128
Deferred tax assets	24	1.564	1.240
Other non-current assets		-	12
Total assets		3.235.427	2.697.270

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

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BİM BİRLEŞİK MAĞAZALAR A.Ş.

**CONSOLIDATED BALANCE SHEETS
AT 30 SEPTEMBER 2014 AND 31 DECEMBER 2013**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

LIABILITIES AND EQUITY		30 September 2014	31 December 2013
	Notes	Not Reviewed	Audited
Current liabilities		2.017.232	1.645.954
Short term financial liabilities	6	17.888	13.147
Trade payables		1.836.689	1.457.749
- Due to Related parties	26	273.687	223.357
- Due to Third Parties	7	1.563.002	1.234.392
Other payables		231	185
- Due to Related Parties		-	-
- Due to Third Parties		231	185
Deferred revenue		8.440	4.275
Employee benefit obligations		18.633	13.934
Current Provisions	12	19.797	15.331
- Provision for Employee Benefits		2.807	3.377
- Other Short term Provisions		16.990	11.954
Current Income Tax Liabilities	24	89.096	112.609
Other Current Liabilities	15	26.458	28.724
Non-current Liabilities		52.748	52.052
Non-current provisions		38.710	38.082
- Provision for Employee Benefits	14	38.710	38.082
Deferred Tax Liabilities	24	14.038	13.970
Equity		1.165.447	999.264
Equity attributable to parent		1.165.447	999.264
Paid-in Share Capital	16	303.600	303.600
Other Comprehensive Income/Expense not to be Reclassified to Profit or Loss		64.261	64.261
- Property and equipment revaluation reserve	16	78.323	78.323
- Revaluation gain/loss on defined benefit plans		(14.062)	(14.062)
Other Comprehensive Income/Expense to be Reclassified to Profit or Loss		5.115	6.180
- Currency Translation Difference		5.115	6.180
Restricted Reserves		169.541	124.463
Retained Earnings		310.062	87.776
Net Income For The Period		312.868	412.984
Total Liabilities and Equity		3.235.427	2.697.270

The accompanying notes from an integral part of these consolidated interim financial statements

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FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

BİM BİRLEŞİK MAĞAZALAR A.Ş.

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE INTERIM PERIODS ENDED 30 SEPTEMBER 2014 AND 2013**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

	Notes	Not reviewed 1 January 2014 - 30 September 2014	Not reviewed 1 July 2014 – 30 September 2014	Not reviewed 1 January 2013 - 30 September 2013	Not reviewed 1 July 2013 - 30 September 2013
INCOME OR LOSS					
Revenue	17	10.708.824	3.752.710	8.716.644	3.087.557
Cost of sales (-)	17	(9.045.905)	(3.163.268)	(7.346.826)	(2.594.125)
GROSS PROFIT		1.662.919	589.442	1.369.818	493.432
Marketing Expenses (-)	18	(1.125.142)	(392.676)	(886.147)	(314.800)
General Administrative Expenses (-)	18	(161.188)	(55.437)	(122.314)	(40.664)
Other Operating Income	20	13.862	4.542	8.810	3.480
Other Operating Expense (-)	20	(4.093)	(2.105)	(1.563)	(460)
OPERATING PROFIT		386.358	143.766	368.604	140.988
Income from investing activities	23	3.934	5	4.009	-
Expense from investing activities	23	-	-	(993)	(27)
OPERATING PROFIT BEFORE FINANCIAL EXPENSES		390.292	143.771	371.620	140.961
Financial Income	21	16.570	5.749	22.288	8.010
Financial Expense (-)	22	(5.166)	(1.060)	(3.153)	364
PROFIT BEFORE TAX FROM CONTINUED OPERATIONS		401.696	148.460	390.755	149.335
- Current tax expense	24	(89.134)	(31.334)	(83.649)	(31.180)
- Deferred tax income /(expense)	24	306	(1.745)	182	(818)
PROFIT FROM CONTINUED OPERATIONS		312.868	115.381	307.288	117.337
NET INCOME FOR THE PERIOD		312.868	115.381	307.288	117.337
Profit for the Period attributable to					
Non-controlling interest		-	-	-	-
Equity holders of the parent		312.868	115.381	307.288	117.337
Earnings per share					
Earnings per share from continued operations (Full TRY)		1,031	0,380	1,012	0,386
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		-	-	-	-
Gain/ loss from revaluation of property, plant and equipment		-	-	-	-
Items to be classified to profit or loss					
Currency translation difference		(1.065)	327	5.206	2.607
Change in financial investment revaluation reserve		-	-	-	-
Other comprehensive income		(1.065)	327	5.206	2.607
Total comprehensive income		311.803	115.708	312.494	119.944
Total comprehensive income attributable to					
Non-controlling interest		-	-	-	-
Equity holders of the parent		311.803	115.708	312.494	119.944

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

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

BİM BİRLEŞİK MAĞAZALAR A.Ş.

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE INTERIM PERIODS 1 JANUARY - 30 SEPTEMBER 2014 AND 2013**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

	Other comprehensive income not to be reclassified to profit or loss				Other comprehensive income to be reclassified to profit or loss		Retained earnings		Paid-in share capital
	Paid-in share capital	Restricted reserves	Tangible assets fair value reserve	Actuarial gain/ loss from employee benefits	Currency translation difference	Financial assets fair value reserve	Retained earnings	Net income for the period	
Balance at 31 December 2012	151.800	103.211	78.323		(158)		148.509	331.321	813.006
Adjustments in accordance with change in accounting policies	-	-	-	(18.102)	-	-	631	477	(16.994)
Transfer to prior year profits	-	-	-	-	-	-	331.798	(331.798)	-
Transfers	-	21.252	-	-	-	-	(21.252)	-	-
Non cash capital increase (Note 16)	151.800	-	-	-	-	-	(151.800)	-	-
Dividend (Note 16)	-	-	-	-	-	-	(220.110)	-	(220.110)
Net income for the period	-	-	-	-	-	-	-	307.288	307.288
Other comprehensive income	-	-	-	-	5.206	-	-	-	5.206
Total comprehensive income	-	-	-	-	5.206	-	-	307.288	312.494
Balance at 30 September 2013	303.600	124.463	78.323	(18.102)	5.048		87.776	307.288	888.396
Balance at 31 December 2013	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)	-	-
Gains due from acquisition of treasury shares	-	-	-	-	-	-	6.033	-	6.033
Dividend (Note 16)	-	-	-	-	-	-	(151.653)	-	(151.653)
Net income for the period	-	-	-	-	-	-	-	312.868	312.868
Other comprehensive income	-	-	-	-	(1.065)	-	-	-	(1.065)
Total comprehensive income	-	-	-	-	(1.065)	-	-	312.868	311.803
Balance at 30 September 2014	303.600	169.541	78.323	(14.062)	5.115		310.062	312.868	1.165.447

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FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

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**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE INTERIM PERIODS ENDED 30 SEPTEMBER 2014 AND 2013**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

	Notes	1 January - 30 September 2014	1 January - 30 September 2013
A. CASH FLOWS FROM OPERATING ACTIVITIES		447.192	511.110
Profit for the period		312.868	307.288
Adjustments to reconcile profit for the period		187.424	160.240
Depreciation and amortisation	10,11,19	101.017	81.522
Provision / (reversal) for impairment of inventories	9	2.170	1.959
Allowance for doubtful receivables	8	2	38
Provision for employment termination benefits	14	7.635	7.698
Provision for unused vacation	12,14	284	(364)
Legal provisions	12	2.648	476
Other provisions		2.388	1.595
Adjustments related to interest income/expense	21	(13.614)	(13.135)
Adjustments for tax income/ losses	24	88.828	83.467
(Gain)/Loss on sale of property and equipment	23	(443)	993
Other adjustments related to cash flows arising from investing and financing activities		(3.491)	(4.009)
Changes in net working capital		33.381	119.196
Increases/decreases in inventories		(237.766)	(148.830)
Increases/decreases in trade receivables		(86.369)	(10.230)
Increases/decreases in other assets		1.246	(7.951)
Increases/decreases in trade payables		378.940	288.066
Increases/decreases in other payables		46	(1.006)
Change in other working capital		(22.716)	(853)
Net cash generated from operating activities		533.673	586.724
Income taxes paid	24	(86.540)	(75.614)
Collection of doubtful receivables	8	59	-
B. CASH FLOWS FROM INVESTING ACTIVITIES		(328.227)	(177.189)
Proceeds from sale of tangible assets	10,11,23	6.986	4.511
Purchases of tangible and intangible assets	10,11	(294.900)	(173.374)
Change in financial assets	5	(39.459)	-
Cash advances given	13	(4.345)	(12.335)
Dividend income	23	3.491	4.009
C. CASH FLOWS FROM FINANCING ACTIVITIES		(128.725)	(178.180)
Proceeds from financial liabilities		4.741	30.265
Dividend paid	16	(151.653)	(220.110)
Profit share received		12.154	11.665
Acquisition of treasury shares		(20.327)	-
Cash received from sale of treasury shares		26.360	-
NET DECREASE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES (A+B+C))		(9.760)	155.741
D. EFFECTS OF CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS		(663)	(1.251)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		(10.423)	154.490
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	403.188	386.958
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(A+B+C+D+E)	4	392.765	541.448

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

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BİM BİRLEŞİK MAĞAZALAR A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2014

(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 April 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 30 September 2014. 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 7 November 2014 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 30 September 2014 and 2013, the average number of employees in accordance with their categories is shown below:

	1 January - 30 September 2014	1 January - 30 September 2013
Office personnel	1.738	1.543
Warehouse personnel	2.948	2.624
Store personnel	22.775	19.587
Total	27.461	23.754

As of 30 September 2014, the Group operates in 4.681 stores (31 December 2013: 4.199).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2014

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

2. Basis of preparation of financial statements

2.1 Basis of presentation

The consolidated interim financial statements are prepared in accordance with Communiqué Serial II, No:14.1, “Principles of Financial Reporting in Capital Markets” (“the Communiqué”) published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué, 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 Group prepared its consolidated interim financial statements for the period ended 30 September 2014 in accordance with the TAS 34 “Interim financial reporting” in the framework of the Communiqué Serial: XII and numbered 14.1 and its related announcements. The interim consolidated financial statements and its accompanying notes are presented in compliance with the format recommended by CMB, including its mandatory information.

In compliance with the TAS 34, entities have preference in presenting their interim consolidated financial statements whether full set or condensed. In this framework, Group preferred to present its interim consolidated financial statements in full set.

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 parent company and its subsidiaries 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 30 September 2014 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 2014. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2014

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

2. Basis of preparation of financial statements (Continued)

2.2 New and amended International Financial Reporting Standards (Continued)

a. Amendments to published standards and interpretations effective as at 30 September 2014

- Amendment to IAS 32, 'Financial instruments: Presentation', on offsetting financial assets and financial liabilities, effective from annual periods beginning on or after 1 January 2014. This amendment updates the application guidance in IAS 32, 'Financial instruments: Presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. The Standard did not have a significant impact on the financial position or performance of the Group.
- Amendments to IFRS 10, 'Consolidated financial statements', IFRS 12 and IAS 27 for investment entities, effective from annual periods beginning on or after 1 January 2014. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an 'investment entity' definition and which display particular characteristics. Changes have also been made IFRS 12 to introduce disclosures that an investment entity needs to make. The Standard is not applicable for the Group
- Amendments to IAS 36, 'Impairment of assets', effective from annual periods beginning on or after 1 January 2014. These amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The Standard did not have a significant impact on the financial position or performance of the Group.
- Amendment to IAS 39 'Financial instruments: Recognition and measurement', on novation of derivatives and hedge accounting, effective from annual periods beginning on or after 1 January 2014. These narrow-scope amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument. The Standard did not have a significant impact on the financial position or performance of the Group.
- IFRIC 21, 'Levies', effective from annual periods beginning on or after 1 January 2014. This interpretation is on IAS 37, 'Provisions, contingent liabilities and contingent assets'. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The Standard did not have a significant impact on the financial position or performance of the Group.
- Amendment to IAS 19 regarding defined benefit plans, effective from annual periods beginning on or after 1 July 2014. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The Standard did not have a significant 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:
 - IFRS 2, 'Share-based payment'
 - IFRS 3, 'Business Combinations'
 - IFRS 8, 'Operating segments'

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2014

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

2. Basis of preparation of financial statements (Continued)

- IFRS 13, 'Fair value measurement'
 - IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets'
 - Consequential amendments to IFRS 9, 'Financial instruments', IAS 37, 'Provisions, contingent liabilities and contingent assets', and
 - IAS 39, 'Financial instruments – Recognition and measurement'
- Annual improvements 2013; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2011-12-13 cycle of the annual improvements project, that affect 4 standards:
- IFRS 1, 'First time adoption'
 - IFRS 3, 'Business combinations'
 - IFRS 13, 'Fair value measurement' and
 - IAS 40, 'Investment property'.

b. *The new standards, amendments and interpretations issued, but not effective*

- IFRS 14 'Regulatory deferral accounts', effective from annual periods beginning on or after 1 January 2016. IFRS 14, 'Regulatory deferral accounts' permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items.
- Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation, effective from annual periods beginning on or after 1 January 2016. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.
- Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation, effective from annual periods beginning on or after 1 January 2016. In this amendment the IASB has clarified that the use of revenuebased 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. The IASB has 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.
- Amendments to IAS 27, 'Separate financial statements' on the equity method, effective from annual periods beginning on or after 1 January 2016. These amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.
- Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures', effective from annual periods beginning on or after 1 January 2016. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

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2. Basis of preparation of financial statements (Continued)

2.2 New and amended International Financial Reporting Standards (Continued)

IFRS 15 ‘Revenue from contracts with customers’, effective from annual periods beginning on or after 1 January 2017. IFRS 15, ‘Revenue from contracts with customers’ is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally.

IFRS 9 ‘Financial instruments’, effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

2.3 Compliance with TAS

The Group prepared its consolidated interim financial statements for the period ended 30 September 2014 in accordance with the TAS 34 “Interim financial reporting” in the framework of the Communiqué Serial: XII and numbered 14.1 and its related announcements. The interim 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 Moroccan 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, TRY 1 = MAD 3,8869 amounts in the statement of comprehensive income have been translated into TRY, at the average TRY exchange rate for purchases of MAD, is TRY 1 = MAD 3,7782. 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, TRY 1 = EGP 3,1346, at the average TRY exchange rate for purchases of EGP, is TRY 1 = EGP 3,2596. Differences that occur by the usage of closing and average exchange rates are followed under currency translation differences classified under equity.

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.

Due to third parties amounting to TRY 4.348 is classified to due to related parties as of 31 December 2013.

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2. Basis of preparation of financial statements (Continued)

2.6. Summary of Significant Accounting Policies

Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent company BİM and its subsidiaries prepared for the period ended 30 September 2014. 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.

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

Sales of Goods

Revenue is recognized to the extent that it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be reliably measured. Revenue is recognized net of discounts and Value Added Tax (VAT) when delivery has taken place and transfer of risks and rewards has been completed.

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2. Basis of preparation of financial statements (Continued)

2.6. Summary of Significant Accounting Policies (Continued)

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 at banks, cash in transit and short-term deposits that are 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 day term (31 December 2013: 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 trace 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.

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. 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.

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2. Basis of preparation of financial statements (Continued)

2.6. Summary of Significant Accounting Policies (Continued)

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.

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.

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.

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2. Basis of preparation of financial statements (Continued)

2.6. Summary of Significant Accounting Policies (Continued)

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: at fair value through profit or loss, 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.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current. As of balance sheet date, Group does not have financial assets at fair value through profit or loss.

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.

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.

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2. Basis of preparation of financial statements (Continued)

2.6. Summary of Significant Accounting Policies (Continued)

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.

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

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'.

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.

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2. Basis of preparation of financial statements (Continued)

2.6. Summary of Significant Accounting Policies (Continued)

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.

Trade payables

Trade payables which generally have an average of 49 day term (December 31, 2013 - 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.

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2. Basis of preparation of financial statements (Continued)

2.6. Summary of Significant Accounting Policies (Continued)

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)
30 September 2014	2,2789	2,8914
31 December 2013	2,1343	2,9365

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.

Subsequent events

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.

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.

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2. Basis of preparation of financial statements (Continued)

2.6. Summary of Significant Accounting Policies (Continued)

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

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. In such case, the tax is recognized in shareholders' equity.

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.

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2. Basis of preparation of financial statements (Continued)

2.6. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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.

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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

	30 September 2014	31 December 2013
Cash on hand	79.497	70.538
Banks		
-demand deposits	69.180	76.138
- profit share deposits	221.871	235.972
Cash in transit	25.982	22.845
	396.530	405.493
Less: accrual for profit share	(3.765)	(2.305)
Cash and cash equivalents for cash flow	392.765	403.188

As of 30 September 2014 and 31 December 2013 there is no restricted cash. As of 30 September 2014, profit share deposits are in TRY and the gross rate for profit share from participation banks for TRY is gross 10% (31 December 2013: gross 10%) and average maturity is 81 days (31 December 2013: 140 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 subsidiary of the Group is as below:

Name of subsidiary	Share	30 September 2014	31 December 2013
İdeal Standart İşletmecilik ve Mümessillik San. ve Tic. A.Ş. (*)	% 100	12.590	12.590
		12.590	12.590

(*) As of January 30, 2012, the Group took over the shares of İdeal Standart İşletmecilik ve Mümessillik Sanayi ve Ticaret Anonim Şirketi ("İdeal Standart") by TRY 12.590. 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.

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5. Financial assets (Continued)

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	30 September 2014	31 December 2013
Ziylan Mağazacılık ve Pazarlama A.Ş. (*)	% 11,5	123.165	73.809
Polaris Pazarlama ve Mümessillik A.Ş. (*)	% 11,5	21.735	15.816
Uğur İç ve Dış Ticaret A.Ş. (**)	-	-	15.816
		144.900	105.441

(*) The Group acquired 11,5% of shares of Ziylan Mağazacılık ve Pazarlama Anonim Şirketi (“Ziylan”), Polaris Pazarlama ve Mümessillik Anonim Şirketi (“Polaris”) and Uğur İç ve Dış Ticaret Anonim Şirketi (“Uğur”) incorporate of Ziylan Group on 12 December 2013 for TRY 105.441. After the finalization of financial statements of Ziylan Group subsidiaries, the value of the shares is determined as TRY 144.900 and additional payment for the difference of previous payment and this value amounting to TRY 39.459 is made to the seller party on 16 June 2014.

(**) As of 30 September 2014, Uğur İç ve Dış Ticaret A.Ş. devolved on Ziylan Mağazacılık ve Pazarlama A.Ş. and the participation amount of Uğur İç ve Dış Ticaret A.Ş. incorporated to Mağazacılık ve Pazarlama A.Ş.

Since the stated companies are not quoted in active markets or measured based on current bid prices, measured at cost.

The movement of financial assets during the period is as follows:

	30 September 2014	30 September 2013
Opening	118.031	12.590
Purchases during period	39.459	-
Closing	157.490	12.590

6. Financial liabilities

The Group has interest free short term bank borrowings in amount of TRY 17.888 (31 December 2013: TRY 13.147) to pay SGK liabilities as of 30 September 2014. Such borrowings have been closed on 1 and 2 October 2014.

7. Trade receivables and payables

a) Trade receivables, other parties, net

	30 September 2014	31 December 2013
Credit card receivables	431.204	344.835
	431.204	344.835

As of 30 September 2014 the average term of credit card receivables is 10 days (31 December 2013: 10 days).

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7. Trade receivables and payables (Continued)

b) Trade receivables, other parties, net

	30 September 2014	31 December 2013
Other trade payables	1.573.096	1.242.152
Unincurred rediscount expense (-)	(10.094)	(7.760)
	1.563.002	1.234.392

As of 30 September 2014 the average term of trade payables is 49 days (31 December 2013 - 48 days). As of 30 September 2014 letters of guarantee and cheques are amounting to TRY 30.365 and mortgages are amounting to TRY 25.588 (31 December 2013: TRY 21.883 letters of guarantee and cheques, TRY 24.410 mortgages).

8. Other receivables and payables

a) Other Receivable

	30 September 2014	31 December 2013
Receivables from related parties (*)	12.363	14.562
	12.363	14.562

(*)It consists of the payable given to Ziylan Group as of 30 September 2014. As of 31 December 2013, it consists of advance given to Natura Gıda Sanayi ve Ticaret A.Ş.

b) Other receivables from other parties

	30 September 2014	31 December 2013
Other receivables	3.434	2.411
Doubtful receivables	342	398
Less: Allowance for doubtful receivables	(341)	(398)
	3.435	2.411

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 30 September 2014 and 31 December 2013, the Group does not have any overdue receivables except for doubtful receivables.

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

	30 September 2014	31 September 2013
Balance at the beginning of the period	398	365
Allowance for doubtful receivables	2	38
Collection in current year	(59)	-
Balance at the end of the period	341	403

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9. Inventories

	30 September 2014	31 December 2013
Trade goods, net	864.884	631.847
Other	9.186	6.627
	874.070	638.474

Cost of inventories amounting to TRY 9.256.842 (30 September 2013: TRY 7.525.567) expensed under cost of sales. The movement of impairment for inventories in 2014 is as follows:

	30 September 2014	30 September 2013
Balance at the beginning of the period	3.121	1.423
Current year reversal	(3.121)	(1.423)
Allowance for impairment	2.170	1.959
Balance at the end of the period	2.170	1.959

As of 30 September 2014, allowance for impairment on trade goods amounting to TRY 2.170 (30 September 2013: TRY 1.959). Amount of the goods that were written down are reversed and has been included in cost of sales in the income statement.

10. Property, plant and equipment

The movements of property and equipment and the related accumulated depreciation for the periods ended 30 September 2014 and 2013 are as follows:

	1 January 2014	Additions	Disposals	Transfers	Currency translation difference	30 September 2014
Cost or revalued amount						
Land	213.714	61.843	-	-	43	275.600
Land improvements	4.905	726	(7)	2	-	5.626
Buildings	219.804	15.609	-	10.767	-	246.180
Leasehold improvements	349.909	52.935	(4.212)	(89)	(433)	398.110
Machinery and equipment	434.777	76.438	(6.575)	1.498	(151)	505.987
Vehicles	90.859	25.455	(7.652)	353	(44)	108.971
Furniture and fixtures	181.604	27.019	(2.682)	343	(46)	206.238
Construction in progress	2.514	32.802	-	(12.874)	(214)	22.228
	1.498.086	292.827	(21.128)	-	(845)	1.768.940
Less : Accumulated depreciation						
Land improvements	(2.873)	(564)	-	-	-	(3.437)
Buildings	(10.267)	(9.720)	-	-	-	(19.987)
Leasehold improvements	(133.650)	(27.179)	1.978	-	202	(158.649)
Machinery and equipment	(204.081)	(31.941)	4.309	-	146	(231.567)
Vehicles	(43.733)	(13.394)	5.847	-	23	(51.257)
Furniture and fixtures	(122.532)	(17.056)	2.451	-	36	(137.101)
	(517.136)	(99.854)	14.585	-	407	(601.998)
Net book value	980.950					1.166.942

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10. Property, plant and equipment (Continued)

	1 January 2013	Additions	Disposals	Transfers	Currency translation difference	30 September 2013
Cost or revalued amount						
Land	199.589	9.117	-	-	953	209.659
Land improvements	3.988	637	-	6	-	4.631
Buildings	172.173	15.765	-	11.715	-	199.653
Leasehold improvements	282.712	45.090	(3.504)	116	4.350	328.764
Machinery and equipment	369.894	50.396	(4.650)	653	2.201	418.494
Vehicles	78.036	16.644	(5.844)	945	360	90.141
Machinery and equipment	157.685	18.460	(1.882)	511	524	175.298
Construction in progress	6.528	16.155	(226)	(13.946)	-	8.511
	1.270.605	172.264	(16.106)	-	8.388	1.435.151
Less: Accumulated depreciation						
Land improvements	(2.107)	(576)	-	-	-	(2.683)
Buildings	-	(7.503)	-	-	-	(7.503)
Leasehold improvements	(105.350)	(21.269)	1.569	-	(850)	(125.900)
Machinery and equipment	(172.309)	(25.293)	2.992	-	(885)	(195.495)
Vehicles	(34.666)	(11.048)	4.304	-	(120)	(41.530)
Furniture and fixtures	(104.760)	(14.865)	1.737	-	(179)	(118.067)
	(419.192)	(80.554)	10.602	-	(2.034)	(491.178)
Net book value	851.413					943.973

Depreciation expense of TRY 92.362 (30 September 2013: TRY 74.282) has been charged in marketing expenses and TRY 7.492 (30 September 2013: TRY 6.272) 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.

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10. Property, plant and equipment (Continued)

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 30 September 2014 and 31 December 2013, respectively:

	Land and building	
	30 September 2014	31 December 2013
Cost	473.214	384.952
Accumulated depreciation	(53.010)	(43.290)
	420.204	341.662

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 September 2014 and 31 December 2013. 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.

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10. Property, plant and equipment (Continued)

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. Since fair value of the mentioned assets does not differ materially, new revaluation report has not been obtained as of 30 September 2014.

As of 30 September 2014 and 31 December 2013, the gross carrying amount of property and equipment and intangibles, which are fully depreciated, but still in use, is as follows:

	30 September 2014	31 December 2013
Machinery and equipment	80.180	74.279
Furniture and fixtures	83.626	77.882
Intangible assets and leasehold improvements	36.940	32.843
Vehicles	11.982	12.875
Land improvements	1.750	1.130
	214.478	199.009

Pledges and mortgages on assets

As of 30 September 2014 and 31 December 2013, there is no pledge or mortgage on property and equipment of the Group.

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11. Intangible assets

The movements of intangible assets and related accumulated amortization for the periods ended 30 September 2014 and 2013 are as follows:

	1 January 2014	Additions	Disposals	Currency translation differences	30 September 2014
Cost					
Rights	13.680	2.073	(31)	(20)	15.702
Other intangible assets	74	-	-	-	74
	13.754	2.073	(31)	(20)	15.776
Accumulated amortization					
Rights	(9.932)	(1.163)	31	9	(11.055)
Other intangible assets	(26)	-	-	-	(26)
	(9.958)	(1.163)	31	9	(11.081)
Net book value	3.796				4.695
	1 January 2013	Additions	Disposals	Currency translation differences	30 September 2013
Cost					
Rights	11.748	1.111	-	47	12.906
Other intangible assets	31	-	-	-	31
	11.779	1.111	-	47	12.937
Accumulated amortization					
Rights	(8.601)	(968)	-	(24)	(9.593)
Other intangible assets	(26)	-	-	-	(26)
	(8.627)	(968)	-	(24)	(9.619)
Net book value	3.152				3.318

As of 30 September 2014 amortization expense is TRY 1.076 (30 September 2013: TRY 893) has been charged in marketing expenses and TRY 87 (30 September 2013: TRY 75) 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.

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12. Provisions, contingent assets and liabilities

a) Current provisions for employee benefits

Unused vacation amounting to TRY 2.807 is shown on the current provisions for employee benefits amounting in the Group account of short term provisions for the period ended 30 September 2014 (31 December 2013: TRY 3.377).

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

	1 January - 30 September 2014	1 January - 30 September 2013
Balance at the beginning of the period	3.377	2.518
Reversals during period	(3.377)	(2.518)
Provision amount	2.807	2.265
Balance at the end of the period	2.807	2.265

b) Other short term provisions

	30 September 2014	31 December 2013
Legal provisions (*)	10.418	7.770
Other (**)	6.572	4.184
Total	16.990	11.954

(*) As of 30 September 2014 and 31 December 2013, the total amount of outstanding lawsuits filed against the Group, TRY 15.822 and TRY 11.914 (in historical terms), respectively. The Group recognized provisions amounting to TRY 10.418 and TRY 7.770 for the related periods, respectively.

Current period movement of provision for lawsuits is as follows;

	1 January- 30 September 2014	1 January - 30 September 2013
Balance at the beginning of the period	7.770	6.880
Provision amount, net	2.648	476
Balance at the end of the period	10.418	7.356

(**) As of 30 September 2014 and 31 December 2013, other short term provisions consist of telephone, electricity, water and other short term liabilities amounting to TRY 6.572 and TRY 4.184, respectively.

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12. Provisions, contingent assets and liabilities (Continued)

Letter of guarantees, mortgages and pledges given by the Group

As of 30 September 2014 and 31 December 2013, breakdown of the guarantees, mortgage and pledges given by the Group is as follows:

	30 September 2014				
	Total TRY equivalent	TRY	USD	Euro	Moroccan Dirham
A. Total amount of guarantees, pledges and mortgages given in the name of	10.355	9.460	251.090	-	1.257.373
<i>Guarantee</i>	10.355	9.460	251.090	-	1.257.373
<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	10.355	9.460	251.090	-	1.257.373

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12. Provisions, contingent assets and liabilities (Continued)

	31 December 2013				
	Total TRY equivalent	TRY	USD	Euro	Moroccan Dirham
A. Total amount of guarantees, pledges and mortgages given in the name of legal entity	17.954	17.091	250.000	-	1.257.373
<i>Guarantee</i>	17.954	17.091	250.000	-	1.257.373
<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	17.954	17.091	250.000	-	1.257.373

Insurance coverage on assets

As of 30 September 2014 and 31 December 2013, insurance coverage on assets of the Group is TRY 912.774 and TRY 881.986 respectively.

13. Prepaid expenses

a) Short term prepaid expenses

	30 September 2014	31 December 2013
Order advances given	74.203	59.831
Other	10.712	9.005
	84.915	68.836

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13. Prepaid expenses (Continued)

b) Long term prepaid expenses

	30 September 2014	31 December 2013
Advances given for property, plant and equipment	17.118	12.773
Other	216	1.355
	17.334	14.128

14. Employee termination benefits

	30 September 2014	31 December 2013
Provision for employee termination benefits	34.445	34.670
Provision for unused vacation	4.265	3.412
Total	38.710	38.082

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. Some transitional provisions related with retirement prerequisites have been removed due to the amendments in the relevant law on May 23, 2002.

The amount payable consists of one month’s salary limited to a maximum of TRY 3.438,22 for each period of service as of 30 September 2014 (31 December 2013: TRY 3.254,44). The retirement pay provision ceiling is revised semi-annually, and TRY 3.438,22 which is effective from 1 January 2014, is taken into consideration in the calculation of provision for employment termination benefits (invalidated between 31 December 2013 and 1 July 2013: TRY 3.254,44). 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 30 September 2014 and 31 December 2013 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 3,49% by assuming an annual inflation rate of 5% (31 December 2013: 5 %) and a discount rate of 10% (31 December 2013: 10%). The anticipated rate of forfeitures that occurred on voluntary turnovers is considered.

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14. Employee termination benefits (Continued)

Significant actuarial assumptions are as follows;

The voluntary and involuntary turnover rates used in the calculation of employee termination benefit are 30,6% and 8,9%, respectively and the rates are calculated as weighted average of various age groups of each specific employee. Average service year is 2,67 for women, 4,08 for men and 3,62 years in total. Retirement age of women and men are 50 and 55 respectively and 53 for the Group.

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 - 30 September 2014	1 January - 30 September 2013
Current service cost (Note 19)	5.230	5.252
Financial expense of employee termination benefit (Note 22)	2.405	2.446
Total	7.635	7.698

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

	1 January - 30 September 2014	1 January - 30 September 2013
Balance at the beginning of the period	34.670	36.711
Financial expense of employee termination benefit	2.405	2.446
Current service cost	5.230	5.252
Benefits paid	(7.860)	(5.247)
Balance at the end of the period	34.445	39.162

The movement of unused vacation provision over one year is as follows:

	1 January - 30 September 2014	1 January - 30 September 2013
Balance at the beginning of the period	3.412	3.066
Unused amounts reversed	(3.412)	(3.066)
Provision during the period	4.265	2.955
Balance at the end of the period	4.265	2.955

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(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise stated and all other currencies are expressed in full amounts unless otherwise stated.)

15. Other assets and liabilities

a) Other current assets

	30 September 2014	31 December 2013
VAT receivable	17.306	14.057
Other	6.168	2.892
	23.474	16.949

b) Other current liabilities

	30 September 2014	31 December 2013
Taxes and funds payables	24.699	27.626
Other	1.759	1.098
	26.458	28.724

As of 30 September 2014 and 31 December 2013, the Group does not have any other long-term liability.

16. Equity

a) Share capital and capital reserves

As of 30 September 2014 and 31 December 2013, the breakdown of shareholders and their ownership percentages in the Company are summarized as follows:

	30 September 2014		31 December 2013	
	Historical cost	%	Historical cost	%
Mustafa Latif Topbaş	45.877	15,1	47.897	15,8
Ahmet Afif Topbaş	28.500	9,4	27.400	9,0
Abdulrahman A. El Khereiji	10.626	3,5	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	600	0,2	-	-
Ahmet Hamdi Topbaş	520	0,2	200	0,1
Ömer Hulusi Topbaş	360	0,1	360	0,1
Halka açık olan kısım	210.581	69,4	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 2013- 303.600.000) shares of TRY 1 nominal value each.

Revaluation surplus

As of 30 September 2014 the Group has revaluation surplus amounting TRY 78.323 (31 December 2013 : TRY 78.323) related to revaluation of land and buildings. The revaluation surplus is not available for distribution to shareholders.

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16. Equity (Continued)

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 interim 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.

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 30 September 2014 and 31 December 2013 legal reserves, prior year profits and net income for the period in statutory accounts of the Company are as follows:

	30 September 2014	31 December 2013
Legal reserves	169.540	124.463
Extraordinary reserves	239.716	81.376
Net profit for the period	351.174	446.152
	760.430	651.991

As of 30 September 2014, net profit for the Company's statutory books is TRY 351.174 and net profit per consolidated financial statements in accordance with CMB accounting standards is TRY 312.868.

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16. Equity (Continued)

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 27 December 2013, CFO has been duly authorized for an amount up to TRY 200.000.000 (TRY full) to repurchase the shares of the Company from the stock exchange and the upper price has been limited as TRY 40 (TRY full) for such buy-back operations. As part of such buy-back operation, %0,18 of shares of the Company that 533.624 units of BIM shares corresponding to TRY 20.327.000 (TRY full) have been repurchased and financed through own resources of the Company.

Buy back operation terminated as a result of the stability of share prices of the Company with the resolution of Board of Directors dated 24 March 2014 and all shares repurchased have been sold as of 30 September 2014. The gain on sale of shares amounting to TRY 6.033 and dividend payment on these shares amounting to TRY 147 has been presented in retained earnings.

Dividend paid

As part of the Ordinary General Meeting dated 22 April 2014, cash profit distribution was decided to be paid in two installments. Based on this, first installment amounting to gross TRY 151.653 from the profit of 2013 was paid as of the reporting date. (2013: TRY 220.110).

17. Sales and cost of sales

a) Net Sales

The Group's net sales for the periods ended 30 September 2014 and 2013 are as follows:

	1 January - 30 September 2014	1 July - 30 September 2014	1 January - 30 September 2013	1 July - 30 September 2013
Sales	10.748.899	3.766.487	8.751.184	3.099.238
Sales returns (-)	(40.075)	(13.777)	(34.540)	(11.681)
	10.708.824	3.752.117	8.716.644	3.087.557

b) Cost of sales

	1 January - 30 September 2014	1 July - 30 September 2014	1 January - 30 September 2013	1 July - 30 September 2013
Beginning inventory	631.847	879.351	478.323	621.459
Purchases	9.278.942	3.148.801	7.473.435	2.577.598
Ending inventory (-)	(864.884)	(864.884)	(604.932)	(604.932)
	9.045.905	3.163.268	7.346.826	2.594.125

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18. Operational Expenses

a) Marketing expenses

	1 January - 30 September 2014	1 July - 30 September 2014	1 January - 30 September 2013	1 July - 30 September 2013
Personnel expenses	521.912	180.351	388.524	137.542
Rent expenses	257.755	90.634	212.758	74.229
Depreciation and amortization expenses	93.438	32.599	75.175	26.580
Electricity, water and communication expenses	57.799	24.045	50.915	21.021
Packaging expenses	54.690	19.242	43.017	15.210
Trucks fuel expense	37.545	13.454	32.990	11.799
Advertising expenses	31.213	9.090	25.861	9.192
Maintenance and repair expenses	21.609	7.642	17.979	6.235
Provision for employee termination benefit	4.393	1.467	4.384	1.469
Other	44.788	14.152	34.544	11.523
	1.125.142	392.676	886.147	314.800

b) General and administrative expenses

	1 January - 30 September 2014	1 July - 30 September 2014	1 January - 30 September 2013	1 July - 30 September 2013
Personnel expenses	104.742	35.182	81.734	27.659
Legal and consultancy expenses	8.201	2.697	6.317	2.194
Depreciation and amortization expenses	7.579	2.620	6.347	1.673
Motor vehicle expenses	7.122	2.425	5.883	1.969
Money collection expenses	5.268	1.854	4.203	1.468
Communication expenses	972	335	738	250
Provision for employee termination benefits	837	276	868	281
Office supplies expenses	593	200	493	174
Other	25.874	9.848	15.731	4.996
	161.188	55.437	122.314	40.664

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19. Expenses by nature

a) Depreciation and amortisation expenses

	1 January - 30 September 2014	1 July - 30 September 2014	1 January - 30 September 2013	1 July - 30 September 2013
Marketing and selling expenses	93.438	32.599	75.175	26.580
General and administrative expenses	7.579	2.620	6.347	1.673
	101.017	35.219	81.522	28.253

b) Personnel expenses

	1 January - 30 September 2014	1 July - 30 September 2014	1 January - 30 September 2013	1 July - 30 September 2013
Wages and salaries	544.698	187.113	410.697	143.776
Provision for employee termination benefits (Note 14)	5.230	1.743	5.252	1.750
Social security premiums - employer contribution	81.956	28.420	59.561	21.425
	631.884	217.276	475.510	166.951

20. Other operating income and expense

a) Other Operating Income

	1 January - 30 September 2014	1 July - 30 September 2014	1 January - 30 September 2013	1 July - 30 September 2013
Gain on sale of scraps	6.014	1.995	5.052	1.662
Other income from operations	7.848	2.547	3.758	1.818
	13.862	4.542	8.810	3.480

b) Other Operating Expense

	1 January - 30 September 2014	1 July - 30 September 2014	1 January - 30 September 2013	1 July - 30 September 2013
Provision expenses	3.098	1.806	816	219
Other	995	299	747	241
	4.093	2.105	1.563	460

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21. Financial Income

	1 January - 30 September 2014	1 July - 30 September 2014	1 January - 30 September 2013	1 July - 30 September 2013
Income on profit share account deposits	13.614	3.747	13.135	3.353
Foreign exchange gains	2.956	2.002	9.153	4.657
	16.570	5.749	22.288	8.010

22. Financial Expenses

	1 January - 30 September 2014	1 July - 30 September 2014	1 January - 30 September 2013	1 July - 30 September 2013
Finance charge on employee termination benefit (Note 14)	2.405	802	2.446	815
Foreign exchange losses	2.095	(13)	216	(1.370)
Other financial expenses	666	271	491	191
	5.166	1.060	3.153	(364)

23. Income and expense from investing activities

a) Income from Investing Activities

	1 January - 30 September 2014	1 July - 30 September 2014	1 January - 30 September 2013	1 July - 30 September 2013
Dividend income	3.491	-	4.009	-
Gain on sale of property, plant and equipment	443	5	-	-
	3.934	5	4.009	-

b) Expense from Investing Activities

Expense from investing activities consists of loss from sale of property, plant and equipment. There is no loss on sale of property, plant and equipment as of 30 September 2014 (30 September 2013: 933).

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24. Tax assets and liabilities

As of 30 September 2014 and 31 December 2013, provision for taxes of the Group is as follows:

	30 September 2014	31 December 2013
Current period tax provision	89.096	112.609
Current tax assets (Prepaid taxes)	(58.296)	(84.365)
Corporate tax payable	30.800	28.244

In Turkey, as of 30 September 2014, corporate tax rate is 20% (31 December 2013: 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 30 September 2014 the corporate tax rate is %30 (31 December 2013: %30) where the consolidated subsidiary of the Company, BIM Stores SARL operates. In Egypt, as of 30 September 2014 the corporate tax rate is 20% (December 31, 2013 - %20) 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 2013: 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.

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 30 September 2014 and 31 December 2013, 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	
	30 September 2014	31 December 2013	1 January - 30 September 2014	1 January- 30 September 2013
<i>Deferred tax liability</i>				
Tangible and intangible assets, except the effect of revaluation effect	23.032	20.965	2.067	977
The effect of the revaluation of land and buildings	4.538	4.538	-	-
Other adjustments	2.275	1.703	572	400
<i>Deferred tax asset</i>				
Reserve for employee termination benefit	(6.889)	(6.935)	46	(489)
Other adjustments	(10.482)	(7.541)	(2.941)	(1.148)
Currency translation difference	-	-	(50)	78
Deferred tax	12.474	12.730	(306)	(182)

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24. Tax assets and liabilities (Continued)

Deferred tax is presented in financial statements as follows:

	30 September 2014	31 December 2013
Deferred tax assets	1.564	1.240
Deferred tax liabilities	(14.038)	(13.970)
Net tax liability	(12.474)	(12.730)

Movement of net deferred tax liability for the periods ended 30 September 2014 and 2013 are as follows:

	1 January - 30 September 2014	1 January - 30 September 2013
Balance at the beginning of the period	12.730	11.312
Deferred tax expense/(income) recognized in statement of comprehensive income	(306)	(182)
Deferred tax expense/(income) recognized in statement of other comprehensive income	-	-
Foreign currency translation differences	50	(78)
Balance at the end of the period	12.474	11.052

Tax reconciliation

	1 January - 30 September 2014	1 January - 30 September 2013
Net income before tax	401.696	390.755
Corporation tax at effective tax rate of 20%	(80.339)	(78.151)
Disallowable expenses	(469)	(467)
Effect of non-tax deductible and tax exempt items	154	332
Tax rate effect of the consolidated subsidiary	(2.176)	(2.105)
Other	(5.998)	(3.076)
	(88.828)	(83.467)
- Current	(89.134)	(83.649)
- Deferred	306	182

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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. For the periods ended 30 September 2014 and 2013, earnings per share is 1,031 and 1,012, respectively. All shares of the Company are in same status.

For the periods ended 30 September 2014 and 2013, the movement of shares numbers is as follows:

Number of shares	1 January - 30 September 2014	1 January - 30 September 2013
Balance at the beginning of the period	303.600.000	151.800.000
Bonus Shares distributed to shareholders from retained earnings during the period	-	151.800.000
Balance at the end of the period	303.600.000	303.600.000

26. Related party disclosures

a) Due to related parties

Due to related parties balances as of 30 September 2014 and 31 December 2013 are as follows:

Mal ve hizmet alımlarına ilişkin borçlar:

	30 September 2014	31 December 2013
Ak Gıda A.Ş. (Ak Gıda) ⁽¹⁾	111.622	116.541
Başak Gıda Dağıtım ve Pazarlama A.Ş. (Başak) ⁽¹⁾	52.597	44.646
Hedef Tüketim Ürünleri San ve Dış Tic. A.Ş. (Hedef) ⁽¹⁾	31.821	33.971
Turkuvaz Plastik ve Tem. Ürün. Tic. A.Ş. (Turkuvaz) ⁽¹⁾	35.391	21.065
Aktül Kağıt Üretim Pazarlama Anonim Şirketi (Aktül) ⁽¹⁾	23.283	-
Natura Gıda Sanayi ve Ticaret A.Ş. (Natura) ⁽¹⁾	9.914	325
Sena Muhtelif Ürün Paketleme Gıda Sanayi Ve Tic. Ltd.Şti (Sena) ⁽³⁾	4.383	4.347
İdeal Standart İşletmecilik ve Mümessillik San. ve Tic. A.Ş. (İdeal Standart) ⁽²⁾	3.781	2.185
Proline Bilişim Sistemleri ve Ticaret A.Ş. (Proline) ⁽¹⁾	660	-
Avansas Ofis Malzemeleri Ticaret A.Ş. (Avansas) ⁽¹⁾	235	1
Bahar Su San. ve Tic. A.Ş. (Bahar Su) ⁽¹⁾	-	264
Seher Gıda Paz. San. ve Tic. A.Ş. (Seher) ⁽¹⁾	-	12
	273.687	223.357

⁽¹⁾ Companies owned by shareholders of the Company.

⁽²⁾ Subsidiaries of the Group.

⁽³⁾ Other related party.

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26. Related party disclosures (Continued)

b) Related party transactions

For the periods ended 30 September 2014 and 2013, summary of the major transactions with related parties are as follows:

i) Purchases from related parties during the periods ended 30 September 2014 and 2013 are as follows:

	1 January - 30 September 2014	1 January - 30 September 2013
Ak Gıda ⁽¹⁾	649.299	581.881
Başak ⁽¹⁾	326.750	258.686
Turkuvaz ⁽¹⁾	118.419	88.300
Hedef ⁽¹⁾	110.975	85.974
Natura ⁽¹⁾	85.753	75.198
İdeal Standart ⁽²⁾	9.029	7.976
Bahariye ⁽¹⁾	3.175	2.200
Proline ⁽¹⁾	1.649	138
Seher ⁽¹⁾	141	1.133
Bahar Su ⁽¹⁾	48	2.468
Avansas ⁽¹⁾	253	34
Sena ⁽³⁾	20.005	13.117
Aktül ⁽¹⁾	45.381	-
	1.370.877	1.117.105

(1) Companies owned by shareholders of the Company.

(2) Subsidiaries of the Group.

(3) Other related party.

ii) For the periods ended 30 September 2014 and 2013 salaries, bonuses and compensations provided to board of directors and key management comprising of 120 and 85 personnel, respectively, are as follows

	1 January - 30 September 2014	1 January - 30 September 2013
Short-term benefits to employees	22.246	17.145
Long-term defined benefits	1.875	1.319
Total benefits	24.121	18.464

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27. Financial Instruments and Financial Risk Management (Continued)

Credit risk table (Current period)

	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)	-	431.204	12.363	3.435	-	291.051	157.490	-
- Maximum risk secured by guarantees etc	-	-	-	-	-	-	-	-
A. Net book value of financial assets neither overdue nor impaired	-	431.204	12.363	3.435	-	291.051	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)	-	-	-	341	-	-	-	-
- Impairment	-	-	-	(341)	-	-	-	-
- 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	-	-	-	-	-	-	-	-

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27. Financial Instruments and Financial Risk Management (Continued)

Credit risk table (Prior period)

	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)	-	344.835	14.562	2.411	-	312.110	118.031	-
- Maximum risk secured by guarantees etc.	-	-	-	-	-	-	-	-
A. Net book value of financial assets neither overdue nor impaired	-	344.835	14.562	2.411	-	312.110	118.031	-
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)	-	-	-	398	-	-	-	-
- Impairment	-	-	-	(398)	-	-	-	-
- 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	-	-	-	-	-	-	-	-

**BİM CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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BİM BİRLEŞİK MAĞAZALAR A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2014**

(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 (Continued)

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.

Foreign currency position

As of 30 September 2014 and 31 December 2013, the Group’s foreign currency position is as follows ;

	30 September 2014				31 December 2013			
	TRY equivalent	USD	Euro	GBP	TRY equivalent	ABD Dolari	Euro	GBP
1. Trade receivables	-	-	-	-	-	-	-	-
2a. Monetary financial assets (including cash, banks accounts)	100	8.876	23.343	2.925	488	89.657	100.333	8.532
2b. Non-monetary financial assets	-	-	-	-	-	-	-	-
3. Other	-	-	-	-	-	-	-	-
4. Other current assets (1+2+3)	100	8.876	23.343	2.925	488	89.657	100.333	8.532
5. Trade receivables	-	-	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-	-	-
7. Other	59	25.300	1.278	-	55	25.300	1.278	-
8. Non-current assets (5+6+7)	59	25.300	1.278	-	55	25.300	1.278	-
9. Total assets (4+8)	160	34.176	24.621	2.925	543	114.957	101.611	8.532
10. Trade payables	-	-	-	-	-	-	-	-
11. Financial liabilities	-	-	-	-	-	-	-	-
12a. Monetary other liabilities	-	-	-	-	-	-	-	-
12b. Non monetary other liabilities	-	-	-	-	-	-	-	-
13. Current liabilities (10+11+12)	-	-	-	-	-	-	-	-
14. Trade payables	-	-	-	-	-	-	-	-
15. Financial liabilities	-	-	-	-	-	-	-	-
16a. Monetary other liabilities	-	-	-	-	-	-	-	-
16b. Non-monetary other liabilities	-	-	-	-	-	-	-	-
17. Non-current liabilities (14+15+16)	-	-	-	-	-	-	-	-
18. Total liabilities (13+17)	-	-	-	-	-	-	-	-
19. Net asset/(liability) position of off-balance sheet derivative instruments (19a-19b)	-	-	-	-	-	-	-	-
19a. Hedged total assets amount	-	-	-	-	-	-	-	-
19b. Hedged total liabilities amount	-	-	-	-	-	-	-	-
20. Net foreign currency asset/(liability) position (9+18+19)	-	-	-	-	-	-	-	-
21. Net foreign currency asset/(liability) position of monetary items (TFRS 7.b23) (=1+2a+5+6a-10-11-12a-14-15-16a))	100	8.876	23.343	2.925	488	89.657	100.333	8.532
22. Total fair value of financial instruments used for foreign currency hedging	-	-	-	-	-	-	-	-
23. Export	-	-	-	-	-	-	-	-
24. Import	-	-	-	-	-	-	-	-

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27. Financial Instruments and Financial Risk Management (Continued)

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 30 September 2014 and 31 December 2013:

30 September 2014	Exchange rate sensitivity analysis			
	Current Period			
	Profit & Loss		Equity	
	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)	7	(7)	-	-
2- Protected part from U.S Dollar risk(-)	-	-	-	-
3- U.S Dollar net effect (1+2)	7	(7)	-	-
<i>Increase/Decrease of 10% in value of Euro against TRY</i>				
4- Euro net asset/(liability)	-	-	-	-
5- Protected part from Euro risk (-)	-	-	-	-
6- Euro net effect (4+5)	-	-	-	-
<i>Increase/Decrease of 10% in value of GBP against TRY :</i>				
7- GBP net asset/(liability)	1	(1)	-	-
8- Protected part from GBP risk (-)	-	-	-	-
9- GBP net effect (7+8)	1	(1)	-	-
Total (3+6+9)	15	(15)	-	-

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27. Financial Instruments and Financial Risk Management (Continued)

31 December 2013	Exchange rate sensitivity analysis			
	Prior period		Equity	
	Foreign currency appreciation	Profit/Loss 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)	23	(23)	-	-
2- Protected part from U.S Dollar risk (-)	-	-	-	-
3- U.S Dollar net effect (1+2)	23	(23)	-	-
<i>Increase/Decrease of 10% in value of Euro against TRY:</i>				
4- Euro net asset/(liability)	28	(28)	-	-
5- Protected part from Euro risk (-)	-	-	-	-
6- Euro net effect (4+5)	28	(28)	-	-
<i>Increase/Decrease of 10% in value of GBP against TRY :</i>				
7- GBP net asset/(liability)	3	(3)	-	-
8- Protected part from GBP risk (-)	-	-	-	-
9- GBP net effect (7+8)	3	(3)	-	-
Total (3+6+9)	54	(54)	-	-

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.

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27. Financial Instruments and Financial Risk Management (Continued)

As of 30 September 2014 and 31 December 2013, maturities of undiscounted trade payables and financial liabilities of the Group are as follows:

30 September 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	1.563.002	1.573.096	1.573.096	-	-	-
Due to related parties	273.687	275.439	275.439	-	-	-

31 December 2013

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	1.234.392	1.242.152	1.242.152	-	-	-
Due to related parties	223.357	224.685	224.685	-	-	-

Capital risk management

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 30 September 2014 and 31 December 2013 are as follows:

	30 September 2014	31 December 2013
Total liabilities	2.069.980	1.698.006
Less: Cash and cash equivalents	(396.530)	(405.493)
Net debt	1.673.450	1.292.513
Total equity	1.165.447	999.264
Total equity+net debt	2.838.897	2.291.777
Net debt/ (Total equity + net debt)	%59	%56

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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 30 September 2014 and 31 December 2013. See note 10 for disclosures of the land and buildings that are measured at fair value.

30 September 2014	Level 1	Level 2	Level 3	Total
Available for sale financial assets				
Retail industry	-	144.900	-	144.900
Production industry	-	12.590	-	12.590
Total assets		157.490	-	157.490
31 December 2013	Level 1	Level 2	Level 3	Total
Available for sale financial assets				
Retail industry	-	105.441	-	105.441
Production industry	-	12.590	-	12.590
Total assets	-	118.031	-	118.031

There were no transfers between levels during year.

(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.

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

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 30 September 2014 and 31 December 2013, 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.

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