



BİRLEŞİK MAĞAZALAR A.Ş.

RESULTS PRESENTATION

For the 12 months to 31 December 2014



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Please note that all financial data are prepared based on IFRS accounting.

HEADLINES FOR 2014



- **Strong sales in 2014:**

- ▶ Net Sales at 14,5TL billion (+22% YoY)

- **But weaker EBITDA and profit margins:**

- ▶ EBITDA at 618,6 TL million (3,8% YoY)

- ▶ Net income at 395,3 TL million (-4,3 % YoY)

- **Continued Expansion**

- ▶ CAPEX at 2,9% of sales = 412,3 TL million

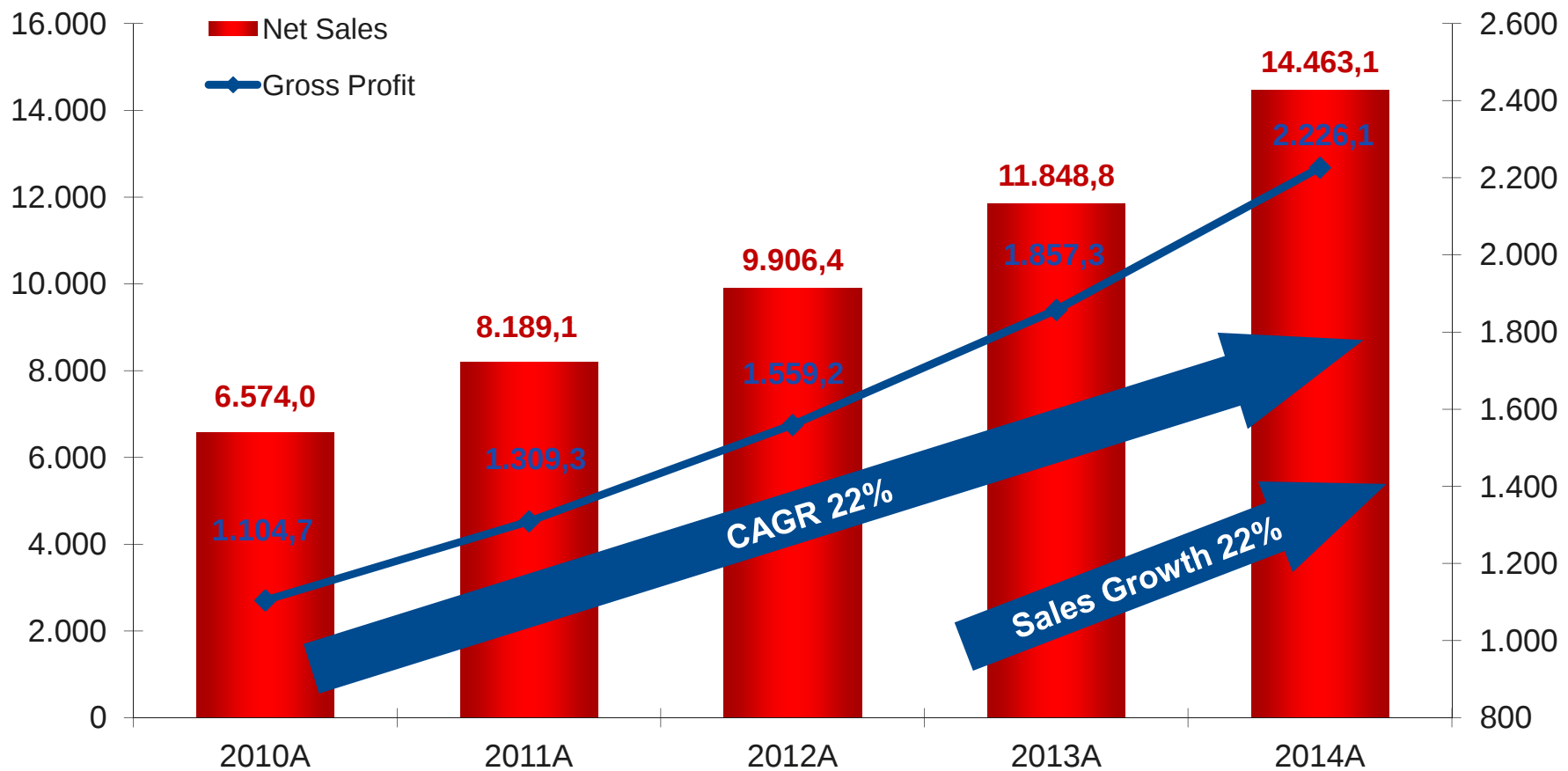
- ▶ At the end of the year we had 4.502 stores in Turkey, 223 in Morocco and 81 in Egypt.

- BIM was rated as 3rd in “Q ratio” out of 250 retailers in the world also known as “Tobin’s Q” in recent Deloitte Report (climbed up from last year’s 4th position)
- In the same Deloitte report BIM was rated as the leader in Turkish retail market
- Ranked as 151st largest retailer in the list and the ONLY Turkish retailer in the world (progressed from last years 167th position)
- Ranked as 17th fastest growing retailer with 22% CAGR per 2013 results

ANNUAL NET SALES AND GROSS PROFIT



TL Million



Gross Margin

16,8%

16,0%

15,7%

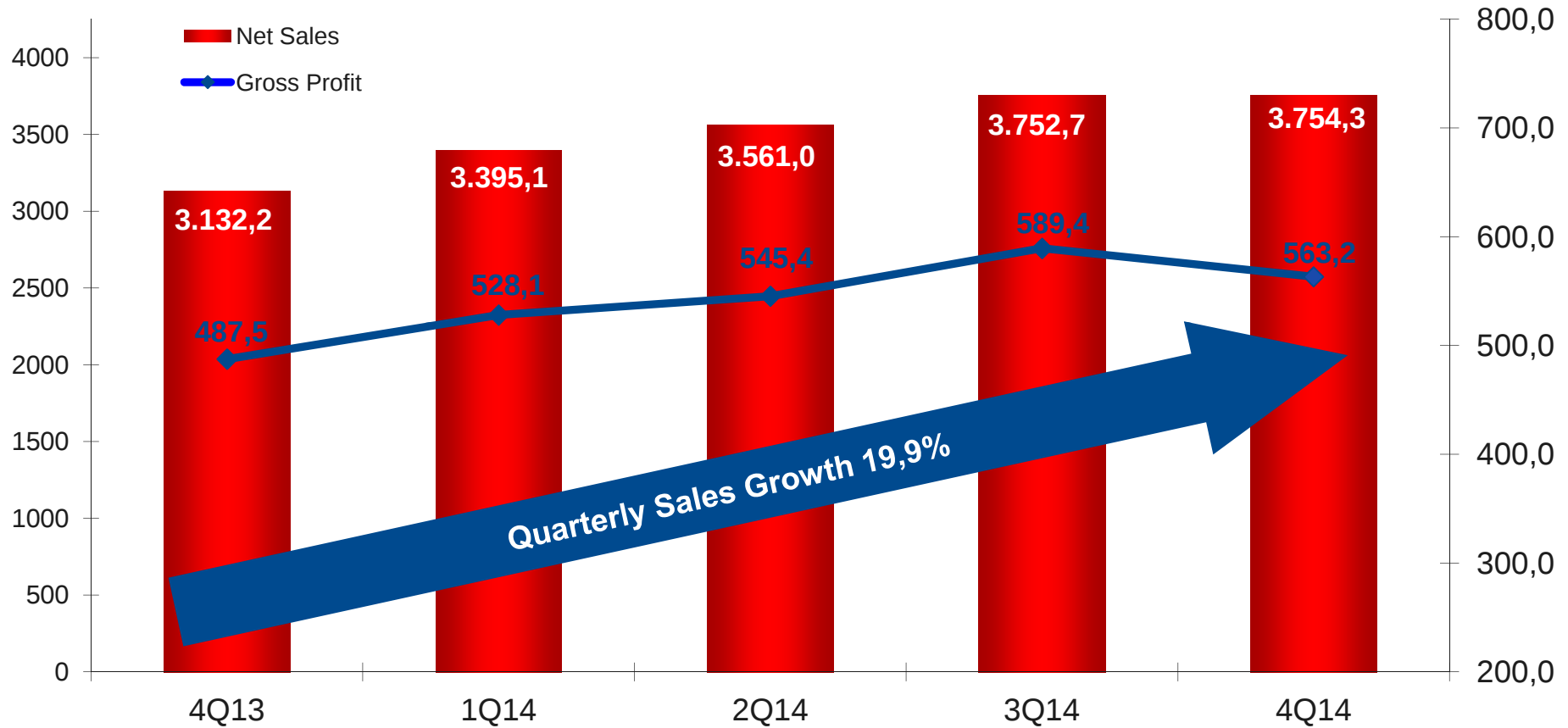
15,7%

15,4%

QUARTERLY NET SALES AND GROSS PROFIT



TL Million

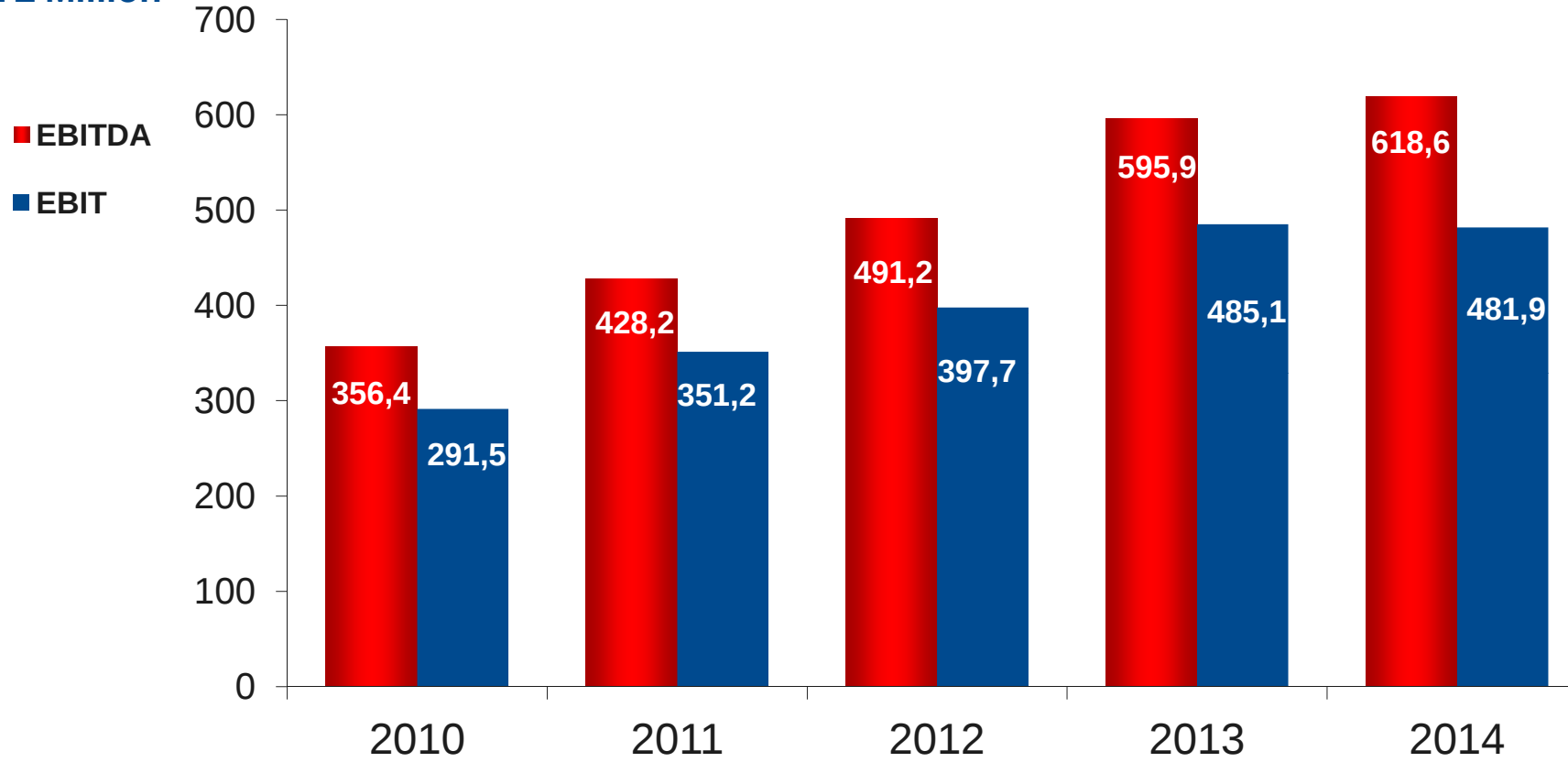


Gross Margin	15,6%	15,6%	15,3%	15,7%	15,0%
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ANNUAL EBITDA AND EBIT



TL Million

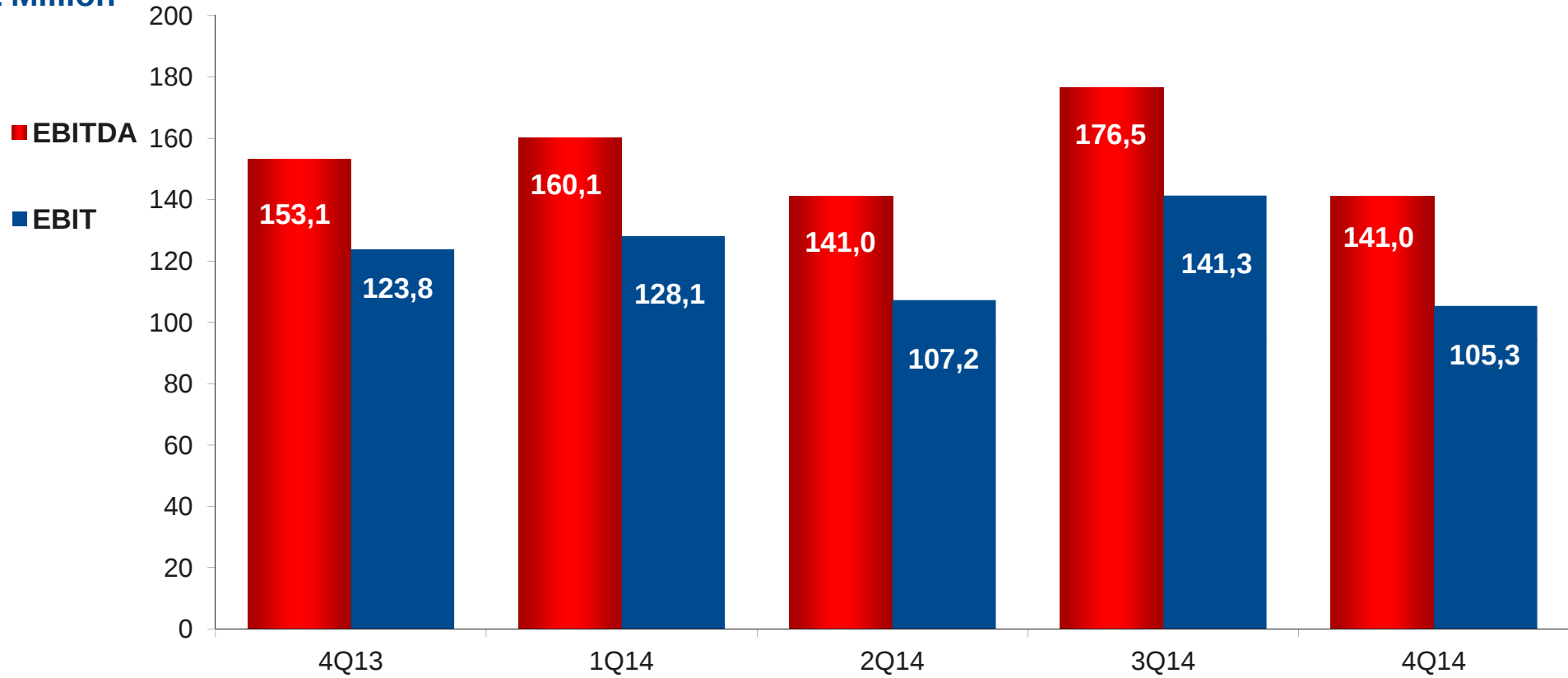


EBITDA Margin	5,4%	5,2%	5,0%	5,0%	4,3%
EBIT Margin	4,4%	4,3%	4,0%	4,1%	3,3%

QUARTERLY EBITDA AND EBIT



TL Million

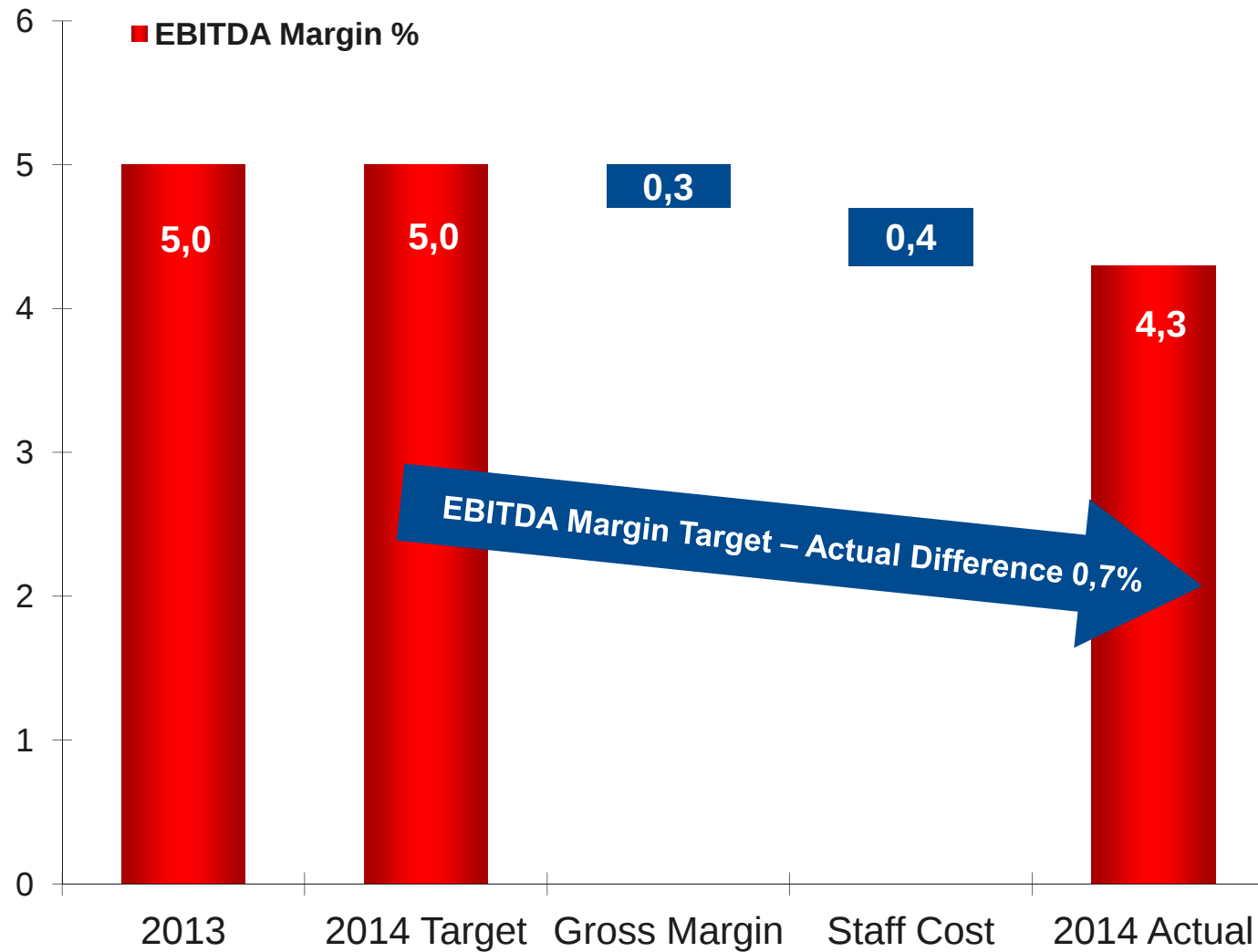


EBITDA	4,9%	4,7%	4,0%	4,7%	3,8%
EBIT	4,0%	3,8%	3,0%	3,8%	2,8%

EBITDA – EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTIZATION

EBIT – EARNINGS BEFORE INTEREST AND TAX

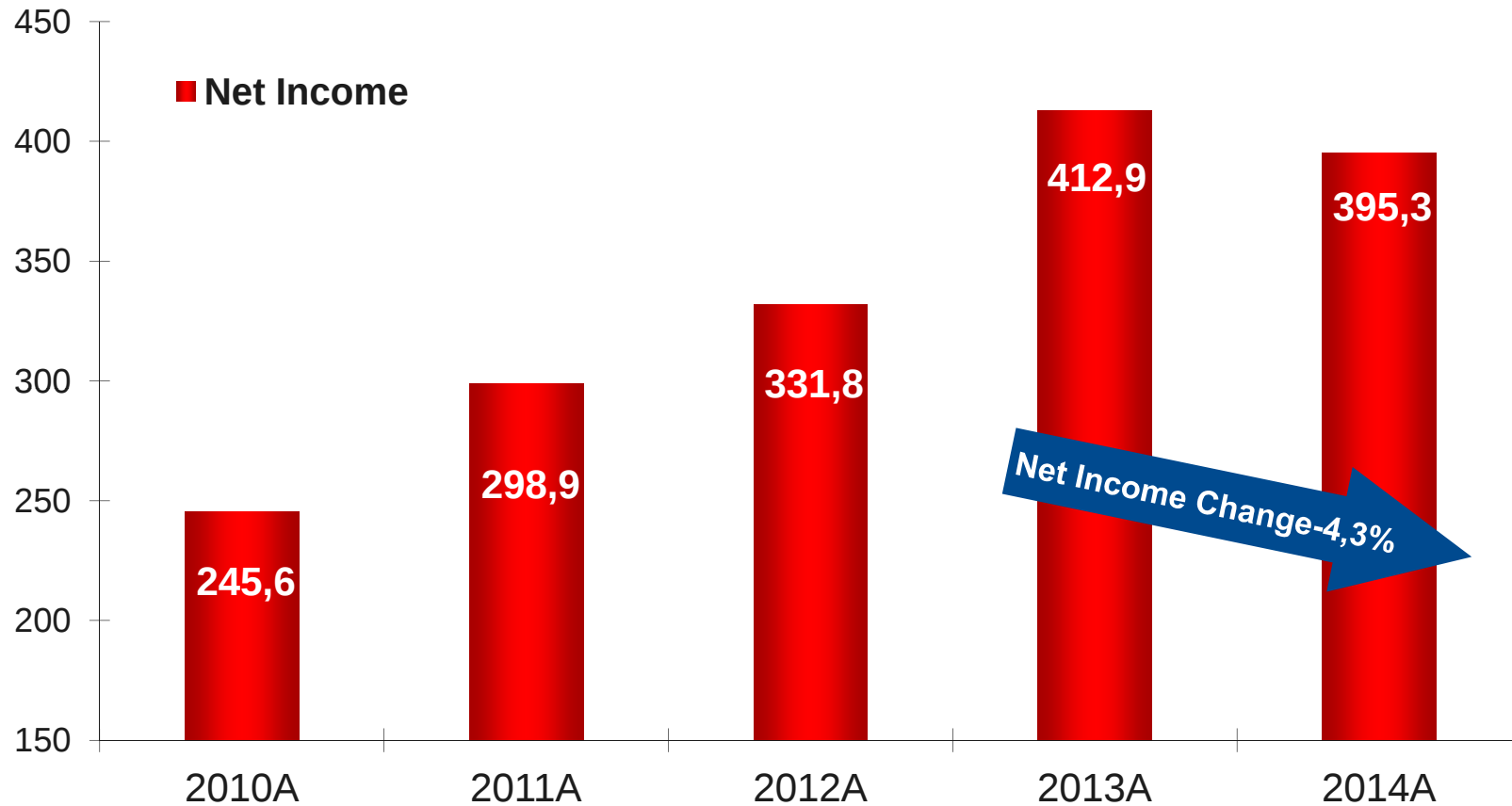
EBITDA MARGIN TARGET vs ACTUAL



ANNUAL NET INCOME



TL Million

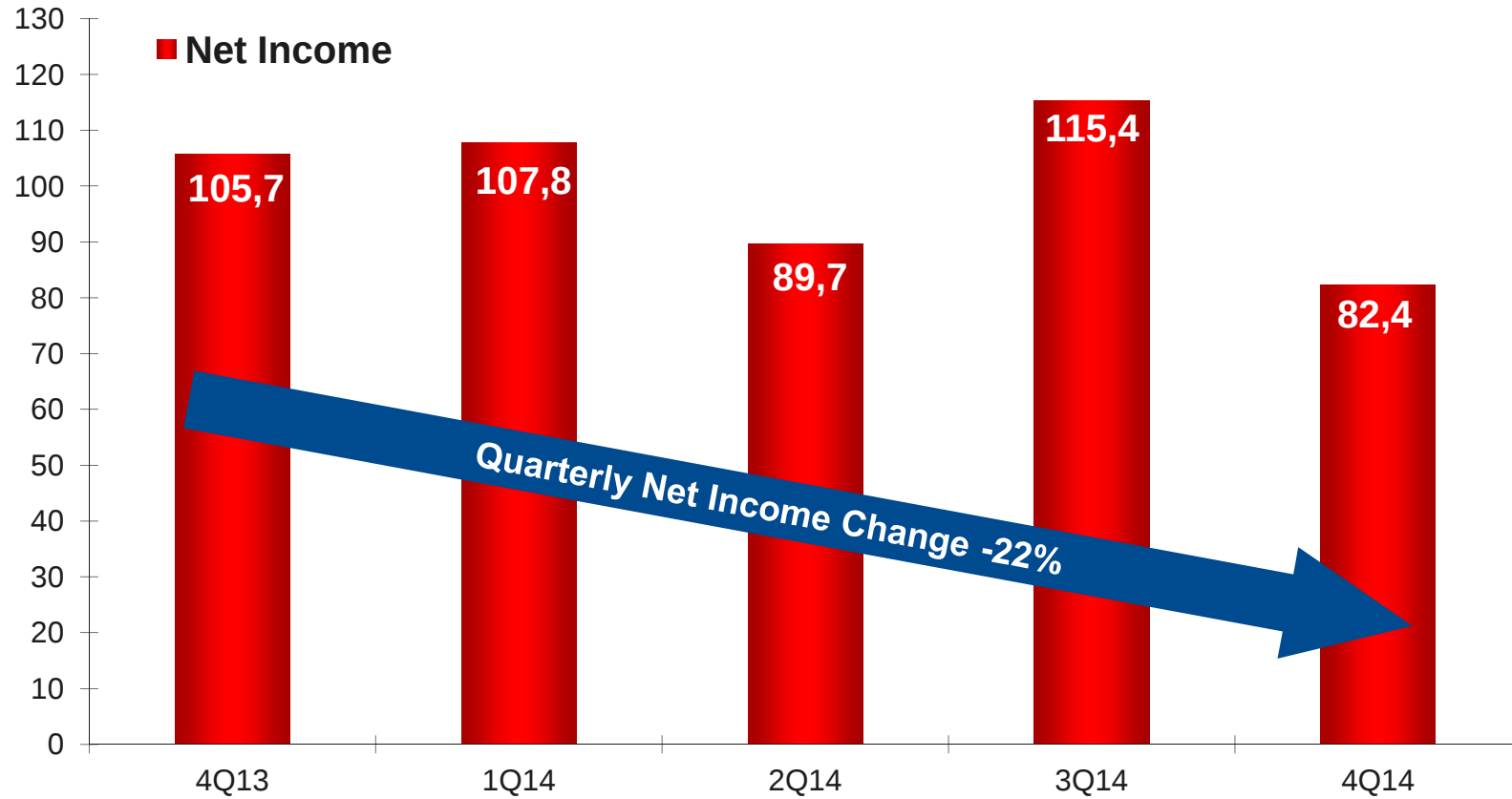


Net Income Margin	3,7%	3,7%	3,3%	3,5%	2,7%
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QUARTERLY NET INCOME



TL Million



Net Income
Margin

3,4%

3,2%

2,5%

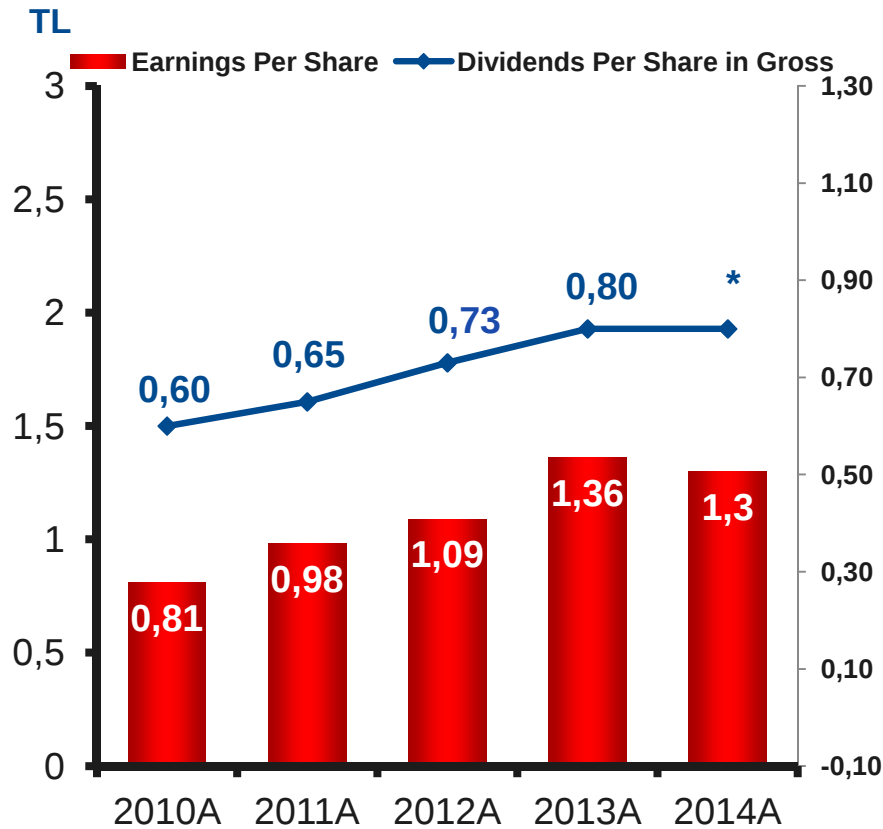
3,1%

2,2%

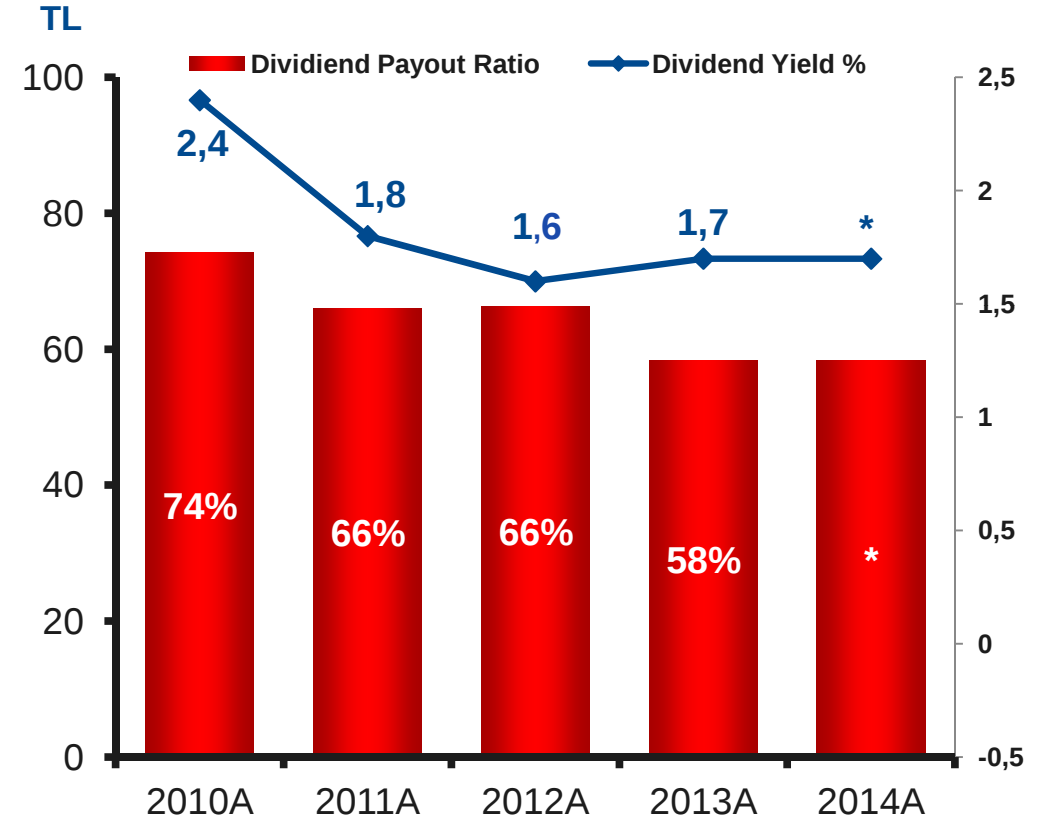
EARNINGS AND DIVIDEND



Earnings Per Share and Dividend Per Share in Gross



Dividend Yield & Payout Ratio



Note 1: The per share figure for 2010, 2011, 2012, 2013 and 2014 is based on 303.600.000 shares.

Note 2: (*) The Company did not take any decision yet about dividend payment from 2014 profit

LIKE FOR LIKE SALES INCREASE



Quarterly

	2013 Q4	2014 Q4	INCREASE
Like For Like Sales (Mil TL)	2.790,0	3.061,5	 9,7%
Like For Like Basket (TL)	11,80	12,93	 9,5%
Like For Like Customer Traffic (Per store/per Day)	752,3	753,6	 0,2%

Annual

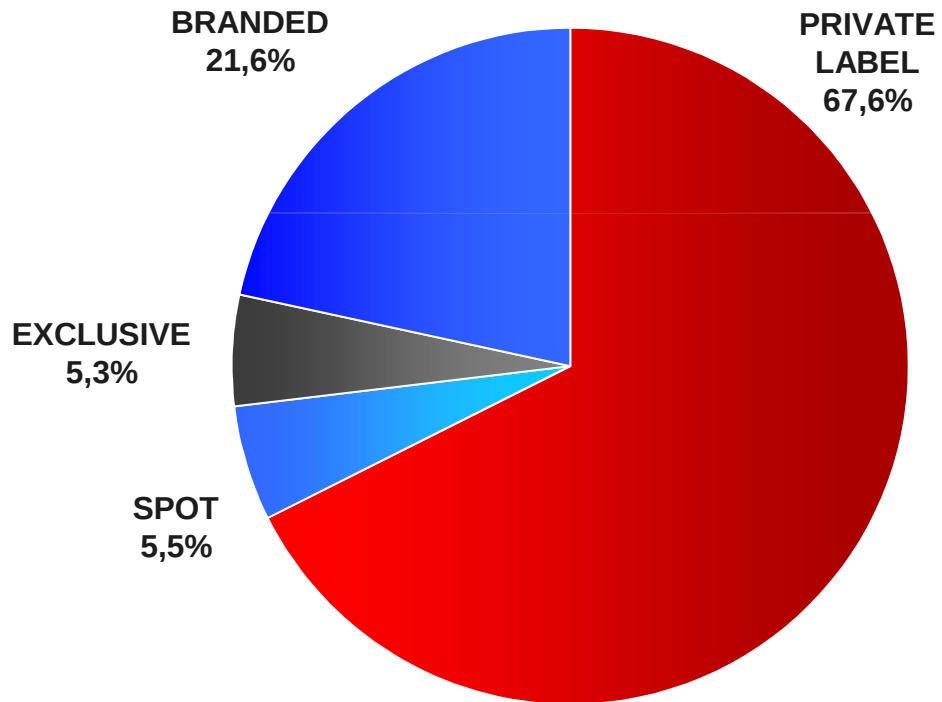
	2013 A	2014 A	INCREASE
Like For Like Sales (Mil TL)	10.793,9	12.069,3	 11,8%
Like For Like Basket (TL)	11,35	12,50	 10,2%
Like For Like Customer Traffic (Per store/per Day)	752,6	763,6	 1,5%

* Note: calculated on the basis of net sales generated in 4Q13 and 4Q14 by stores operating on 31 Dec 2012 and that were still open on 31 Dec 2014 (3.492 stores)

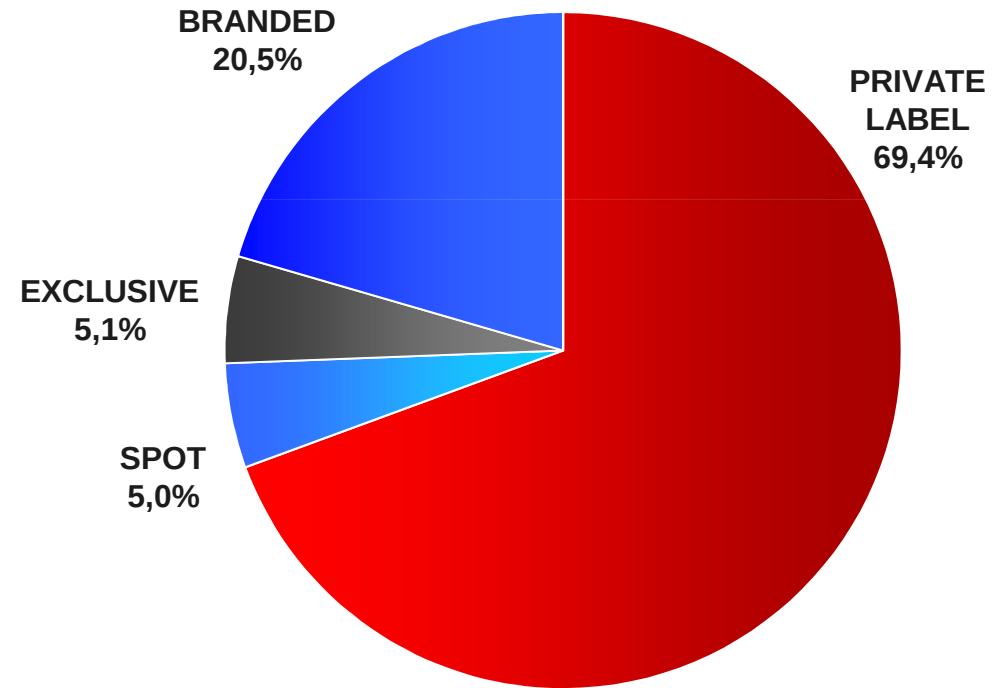
PRIVATE LABEL SALES CONTINUE TO GROW



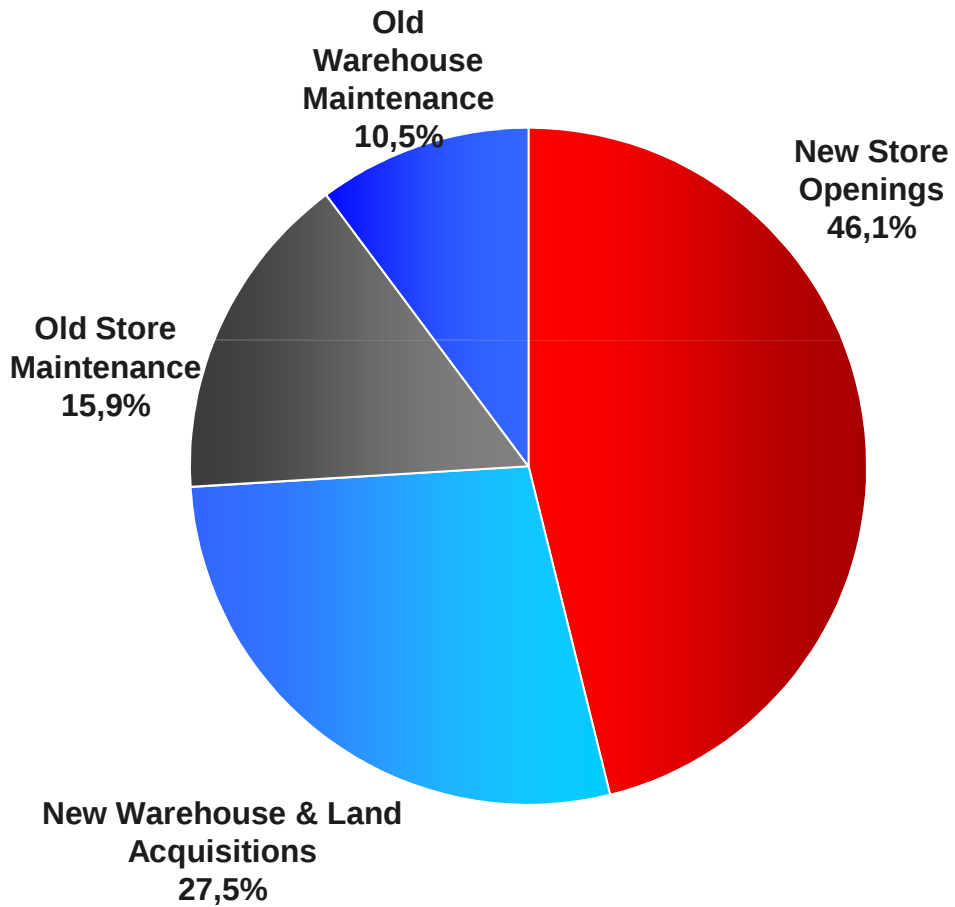
2013A



2014A

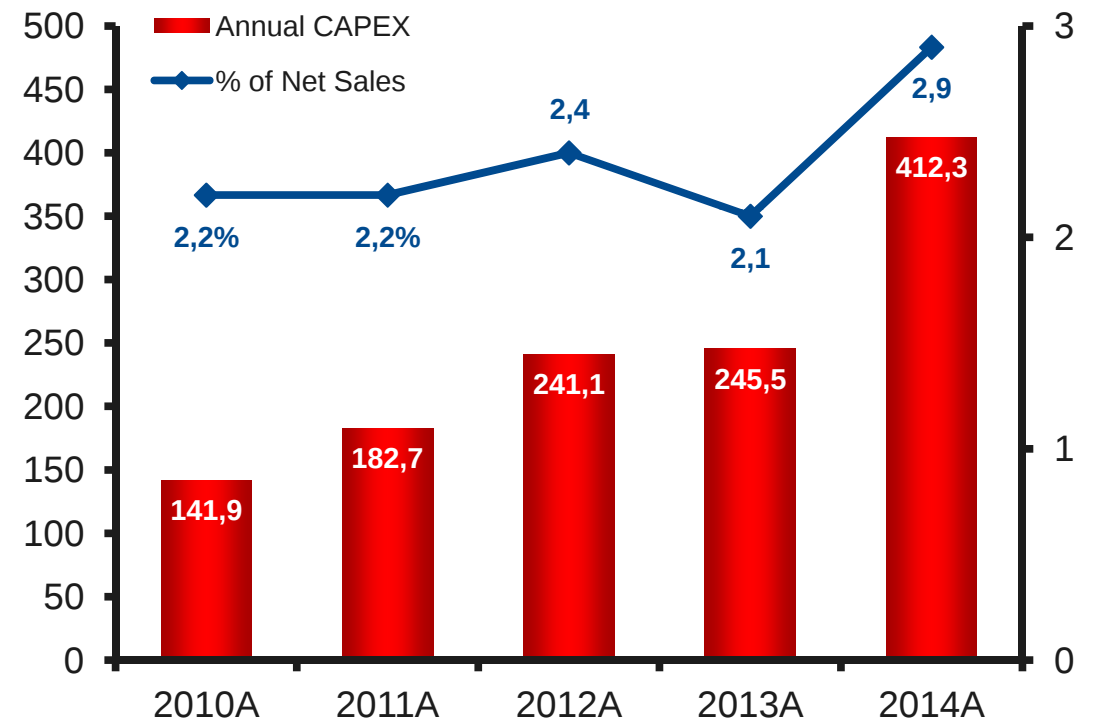


2014 Capex Breakdown



Annual Capex & % of Net Sales

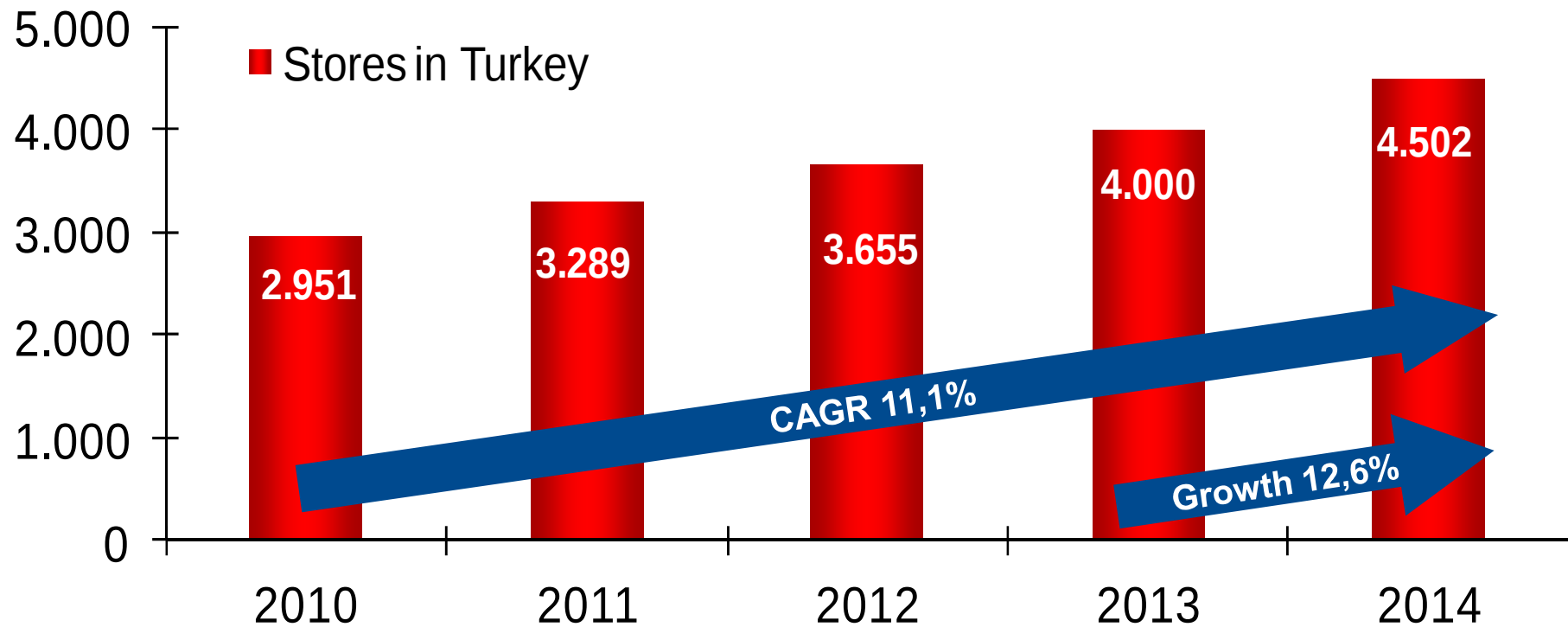
TL Million



STRONG STORE GROWTH CONTINUES



Number of
Stores



FOREIGN OPERATIONS - HIGHLIGHTS



MOROCCO

- 59 Stores opened in 2014
- By 31 December 2014 we have 223
- Our aims for Morocco 2015
 - ▶ EBITDA positive in 2015
 - ▶ Open 81 more stores in 2015

EGYPT

- BIM Stores LLC in Egypt is progressing well
- By 31 December 2014 we have 81 stores
- Our target for 2015 is to open 54 stores and reach 135 in total
- Second owned warehouse to be opened in 2015

- We are opening FIRST store in March
- 10 stores to be opened in 2015
- 50 stores targeted in next 5 years
- Business concept is:
 - ▶ Discount philosophy in supermarket sub-segment
 - ▶ It will operate with more SKUs (3.000 – 3.500) and more retail space (1.000 sqm vs. 300 sqm currently)
 - ▶ Greater focus on fresh fruit & veg, meat and bakery section
 - ▶ More branded products but private label continues priority

TARGETS VS ACTUAL



	TARGET	ACTUAL	
SALES GROWTH (%)	15 – 20	22	✓
GROSS MARGIN (%)	15,5 - 16	15,4	✗
EBITDA MARGIN (%)	5,0	4,3	✗
CAPEX mil TL	400	412	✓
NET INCOME MARGIN (%)	3,5	2,7	✗
NEW STORES (excl Morocco and Egypt)	500	502	✓

LOOKING FORWARD TO 2015



	2014 ACTUAL	2015 TARGET
SALES GROWTH (%)	22,1	20
GROSS MARGIN (%)	15,4	15,5
EBITDA MARGIN (%)	4,3	4,5
CAPEX – Mİl TL	412,3 mil	450 mil
NEW STORE OPENINGS		
TURKEY	502	500
MOROCCO	59	81
EGYPT	46	54
FILE	-	10
TOTAL	607	645



Q & A





APPENDIX

IFRS FINANCIALS



IFRS INCOME STATEMENT

TL million	3 months ended 31 December		12 months ended 31 December	
	2013	2014	2013	2014
Net Sales	3.132,2	3.754,3	11.848,8	14.463,1
(COGS)	(2.644,7)	(3.191,1)	(9.991,5)	(12.237,0)
Gross Profit	487,5	563,2	1.857,3	2.226,1
Total SG&A	(334,4)	(422,2)	(1.261,4)	(1.607,5)
EBITDA	153,1	141,0	595,9	618,6
D&A	(29,3)	(35,7)	(110,8)	(136,7)
EBIT	123,8	105,3	485,1	481,9
Net financial income/(expenses)	8,5	1,4	27,6	12,8
Other income/(expenses)	3,0	3,5	13,3	17,2
PBT	135,3	110,2	526,0	511,9
Taxes	(29,6)	(27,8)	(113,1)	(116,6)
Net income	105,7	82,4	412,9	395,3

IFRS BALANCE SHEET

TL million	As at 31 December	
	2013	2014
Intangible assets	3,8	4,7
Tangible assets	981,0	1.243,2
Financial Investments (long term)	118,0	157,5
Other non-current assets	18,6	20,4
Total fixed assets	1.121,4	1.425,8
Trades receivable	344,8	445,3
Inventories	638,5	807,3
Prepayment and other assets	187,1	234,2
Trades payable	(1.457,7)	(1.805,5)
Other payable and accrued liabilities	(175,1)	(198,6)
Net working capital	(462,4)	(517,3)
Invested Capital	659,0	908,5
Cash & cash equivalents	(405,5)	(325,5)
Short term borrowings	13,1	17,3
Net debt/(cash)	(392,4)	(308,2)
Severance funds	38,1	52,1
Deferred tax liabilities	14,0	15,1
Shareholders' equity	999,3	1.149,5
Capital Employed	659,0	908,5

IFRS CASH FLOW

TL million	3 months ended 31 December		12 months ended 31 December	
	2013	2014	2013	2014
Net Income	105,7	82,4	412,9	395,3
D&A	29,3	35,7	110,8	136,7
Other non-cash items	(3,6)	(2,1)	(17,3)	(18,0)
Funds from operations	131,4	116,0	506,4	514,0
Change in net working capital	(80,1)	5,7	56,0	54,9
Operating cash flow	51,3	121,7	562,4	568,9
Capital expenditures	(59,8)	(113,1)	(245,5)	(412,3)
Proceeds from sales of PPE	2,0	7,5	6,5	14,5
Change in Financial Investments	(105,4)	0,0	(105,4)	(39,5)
Dividends From Investments	-	-	4,0	3,5
Cash flow from investing activities	(163,2)	(105,6)	(340,4)	(433,8)
Free cash flow	(111,9)	16,1	222,0	135,1
Dividends	-	(91,0)	(220,1)	(242,7)
Profit share received from deposits account	4,7	6,4	16,4	18,6
Proceeds from ST borrowings	(27,6)	(0,5)	2,7	4,2
Treasury Shares Purchase & Sale, Net	-	-	-	6,0
Cash flow from financing activity	(22,9)	(85,1)	(201,0)	(213,9)
Currency translation differences	(3,3)	0,3	(4,6)	(0,4)
Increase/(decrease) in cash	(138,1)	(68,7)	16,4	(79,2)