

MiGROS



Migros Türk T.A.Ş.

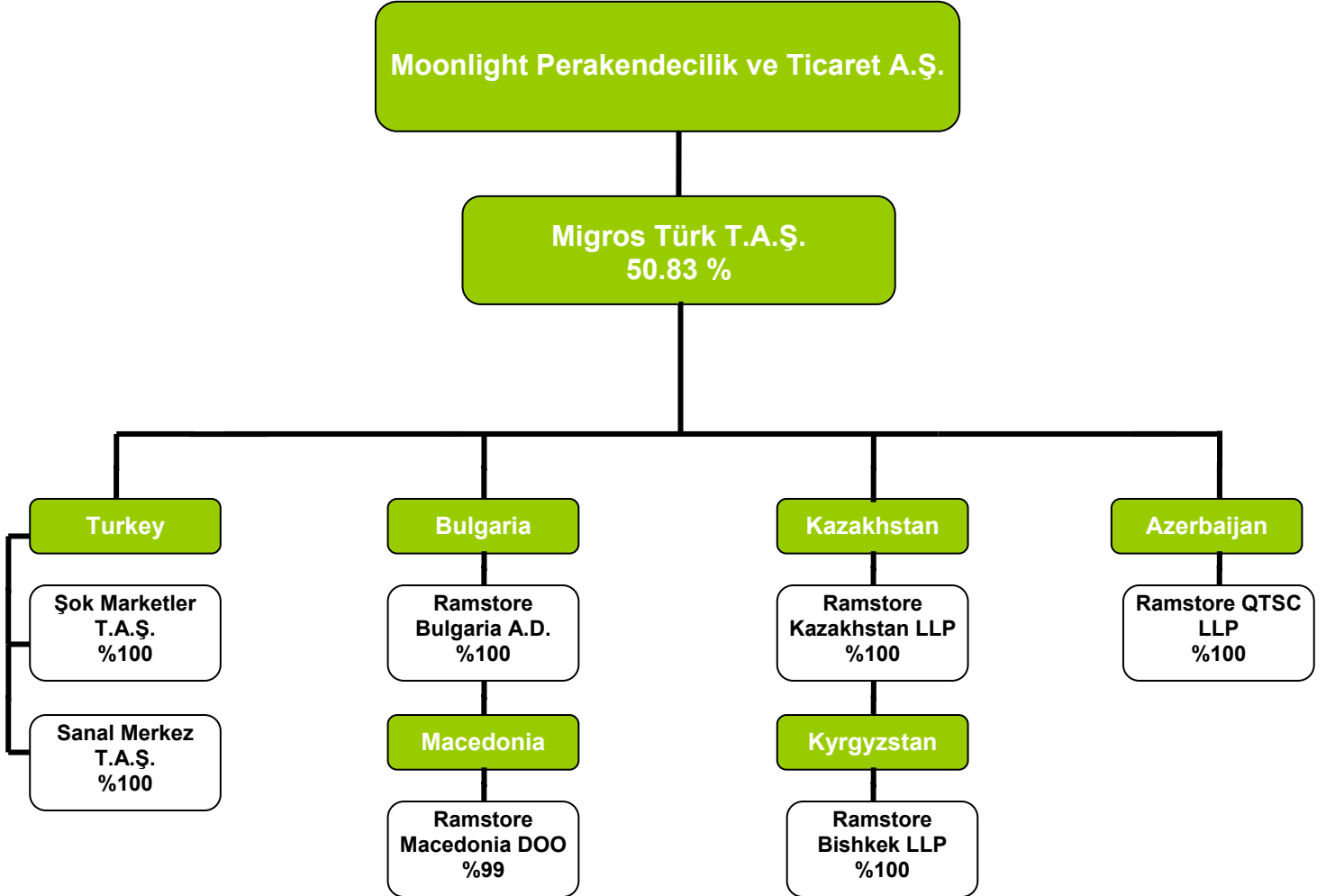
01.01.2008 – 30.06.2008

Interim Annual Report

CORPORATE PROFILE

Company	: Migros Türk T.A.Ş.
The Date of Foundation	: 26.07.1954
Trade Registry Office	: İstanbul Trade Registry Office
Trade Registry Number	: 53358 - 4662
Tax Administration	: Büyük Mükellefler Vergi Dairesi
Tax ID	: 6210024936
Address	: Turgut Özal Bulvarı No:6 Ataşehir 34758 Kadıköy - İstanbul
Phone	: 0216 579 30 00
Fax	: 0216 456 59 05
Corporate Web Site	: www.migros.com.tr
E-mail	: malimigros@migros.com.tr
Registered Capital	: 190.000.000 YTL
Paid - in - Capital	: 178.030.000 YTL
Stock Exchange	: İstanbul Stock Exchange
IPO	: 1991
Symbol	: MIGRS.IS

Migros Türk Organigram As of 30 June 2008



INTRODUCTION: AN ECONOMIC REVIEW AND RETAIL MARKET

According to TurkStat, (Turkish Statistical Institute), GDP which increased by 7.6% in real TRY terms in the first quarter of 2007 rose by 6.6% in real terms in the first quarter of 2008 and reached YTL 221.7 million with nominal prices. Domestic food, alcoholic beverages and tobacco consumptions increased by 5.8% in real terms in the first quarter of 2008, and reached TRY 45.4 million.

According to Retail Index results of Trade Council of Shopping Centers and Retailers (TCSCR), turnover of organized retail increased by 2% in June over a month ago and rose by 7% as compared to June 2007.

According to TCSCR, turnover of organized retail in June 2008 witnessed a considerable, yet moderate increase as compared to previous month and June of the last year. Retail Sector kept its growth at the level of 10% which has been maintained since January 2008, turnover increased by 11.3% when looking at the first half of 2008 as a whole which was full of negative expectations.

Turnover increased by 8% as compared to previous month in the non-food retail, the sub-segment of organized retail, turnover of food retail decreased by 1%. When compared to same month of last year, turnover increased by 14% in non-food and by 3% in food retail.

In terms of CPI (Consumer price index), food and non-alcoholic beverages group increased by 5.73% as compared to December 2007 and rose by 13.96% when compared to the same month of last year. CPI that was at the level of 8.4% in 2007 realized as 10.61% in the first six months of 2008, CPI target of 2008 which is 4% was exceeded in the first half of year.

Cnbc-e Consumer Confidence Index increased by 2.3% in June 2008, as compared to previous month, to 64.43. Index continued its slightly upward trend that started in April. Besides, index maintains it's lowest ever level since 2002.

According to Nielsen data, FMCG sector grew by 27% on the basis of USD and approached to US\$18 billion in the first six months. Total trade increased by 4% on the inflation adjusted TRY terms in the first six months of the year and the volume growth in the sector was 3.6%. Annual price increase at food and retail, excluding tobacco, is 10.5%.

SECTION 1: CORPORATE INFORMATION

Board of Directors

According to Resolutions of Board of Directors dated 30 May 2008 and 24 July 2008, members of the Board of Directors and Auditors are shown below.

Board of Directors

F. Bülent Özaydınlı	Chairman
Antonio Belloni	Member
Francesco Conte	Member
Nicholas Stathopoulos	Member
Stefano Ferraresi	Member
Brice Cedric Dubourdieu	Member
Paolo Federico Ceretti	Member
Evren Rıfki Ünver	Member
Ömer Özgür Tort	Member / General Manager

Auditors

M. Bilgutay Yaşar	Auditor
Yüksel Toparlak	Auditor
Recep Bıyık	Auditor

Information About Amendments to Board of Directors and Auditors

At the board of directors meetings of company held on 30th May 2008,

It was resolved that, in place of Dr. Bülent Bulgurlu, K.Ömer Bozer, Semahat Sevim Arsel, Dr. Nusret Arsel, Ömer M. Koç, Y. Ali Koç, Uğur Çatbaş and Oktay İrsıdar who resigned from Board of Directors as from 30.05.2008, Fevzi Bülent Özaydınlı, Evren Rıfki Ünver, Francesco Conte, Nicholas Stathopoulos, Brice Cédric Dubourdieu, Stefano Ferraresi, Antonio Belloni and Paolo Federico Ceretti were appointed. Fevzi Bülent Özaydınlı was elected the chairman of board of directors.

It was resolved that, in place of İnanç Kiraz, Serkan Özyurt and Ahmet Sönmez, auditors, who resigned from Board of Auditors by the date of 30.05.2008, M.Bilgutay Yaşar, Yüksel Toparlak and Recep Bıyık were elected in accordance with 351 of Turkish Commercial Code,

At the board of directors meetings of company held on 24 July 2008,

It was resolved that resignation of General Manager Levent Çakıroğlu from his post as General Manager and Board of Directors membership upon his is accepted, effective as from 1st August 2008, Ömer Özgür Tort, Human Resources and Industry Relations Assistant General Manager, be appointed as General Manager of our company and a member of Board of Directors , and he be authorized to represent the company with the 1st degree signature from Group A .

Board of Director has resolved to appoint;

- Assistant General Manager of Sales Demir Aytaç to the position of Assistant General Manager responsible of Human Resources and Industrial Relations,
- Hakan Şevki Tuncer to the position of Assistant General Manager responsible of Sales,
- Assistant General Manager of Shopping Centers Investment and Construction Ahmet Fuat Yanar, to the position of Assistant General Manager responsible of International Operations,
- Expansion Director Mustafa Hocaoğlu to the position of Assistant General Manager responsible of Expansion,
- Construction Manager Tark Karlıdağ to the position of Director of Construction

and to authorize them with the second degree signing powers under group B to represent the Company as of 1st of August 2008.

Authorities and Duties of The Board of Directors

As of the 11th article of Migros articles of association the Board of Directors has the authority to take all kinds of resolutions other than those subject to the resolution of the General Assembly in accordance with the Law and this Articles of Association.

Authorities and Duties of The Auditors

As of the 15th article of Migros articles of association duties, liabilities and responsibilities of auditors as well as matters pertaining thereto are governed by provisions of the Turkish Commercial Code. Article 275 of the same Act is kept in reserve. A salary or annual remuneration assessed by the General Assembly is paid to each auditor.

The shareholding structure of Migros Türk T.A.Ş.

The registered capital of the company is TRY 190,000,000.00. The names of shareholders, shareholding amounts and percentages of the shareholders holding more than 10% of the existing paid-in-capital of TRY 178,030,000.00 are as follows:

As of 30 June 2008;

Migros Türk T.A.Ş.		
Shareholder	Share (%)	Amount (TRY)
Moonlight Perakendecilik ve T.A.Ş.	81.59	145,262,806.56
Other	18.41	32,767,193.44
Total	100.00	178,030,000.00

As of the report date, the shareholding of Moonlight Perakendecilik ve Ticaret A.Ş. climbed to %81,5945 by taking up shares from stock exchange at August.

Information About the Most Recent Capital Increase

No increase was made in the capital during the January – June 2008 period.

Information on General Meeting

Meeting Minutes and List of Attendees pertaining to Ordinary General Meeting of our company dated 29.04.2008 have been disclosed in our corporate web site (www.migros.com.tr). At the ordinary general meeting, the consolidated financial statements dated 31.12.2007 prepared according to UFRS and the other items contained in the General Meeting Agenda were accepted.

At the Ordinary General Meeting, Dr. Bülent Bulgurlu, K. Ömer Bozer, Semahat Sevim Arsel, Dr. Nusret Arsel, M. Ömer Koç, Y. Ali Koç, Uğur Çatbaş, Oktay İrsidar and Levent Çakıroğlu were elected the members of the Board of Directors, İnanç Kiraz, Ahmet Sönmez and Serkan Özyurt were elected the auditors for an office term until the Ordinary General Meeting that will convene to examine the activities and accounts of the activity year 2008.

At the meeting of the Board of Directors dated 13 May 2008, Dr. Bülent Bulgurlu was elected the Chairman of the Board of Directors, K. Ömer Bozer was elected the Vice-Chairman of the Board of Directors. Uğur Çatbaş and Oktay İrsidar were elected the Committee members in charge of auditing, Levent Çakıroğlu, Erkin Yılmaz and Ömer Özgür Tort were elected the members of the Corporate Governance Committee.

During the General Meeting, as per the Regulation on Independent External Auditing published by the Board of Capital Markets, it was resolved by the Board of Directors that "Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş." (a member of PricewaterhouseCoopers) which was selected for the year 2008 be authorized to act as independent external auditor.

Amendments in the articles of association during the period

At the board of directors meeting of our company that was held on 17th June 2008, it was resolved that article 7 concerning Board of Directors of the Articles of Association of our company be amended and an application be filed with the Capital Markets Board (CMB) and Ministry of Industry and Commerce before presenting the proposal to General Meeting. With regards to amendment of article 7 of Articles of Association concerning Board of Directors, preliminary permission has been taken from Capital Markets Board under letter dated 08.07.2008 and number 1120-11352 and from Republic of Turkey, Ministry of Industry and Commerce, under letter dated 22.07.2008 and number 95612-3713. In line with preliminary permissions taken, proposal for amendment of Articles of Association by Board of Directors shall be submitted to General Meeting for approval.

The previous and new versions of Articles of Association Article 7 related to Board of Directors are shown below.

Previous Version

BOARD OF DIRECTORS

Article 7- The operations and management of the Company shall be conducted by the Board of Directors consisting of nine members to be elected among the shareholders in the General Assembly in accordance with the Turkish Commercial Code.

In case of any vacancy of a board membership, the Board of Directors shall appoint a new member to be approved in the General Assembly in accordance with Article 315 of the Turkish Commercial Code.

New Version

BOARD OF DIRECTORS

Article 7- The operations and management of the Company shall be conducted by the Board of Directors consisting of eleven members to be elected among the shareholders in the General Assembly in accordance with the Turkish Commercial Code.

In case of any vacancy of a board membership, the Board of Directors shall appoint a new member to be approved in the General Assembly in accordance with Article 315 of the Turkish Commercial Code.

The Dividend Policy of Migros

As it was submitted to shareholders at the Ordinary General Meeting of our company held on 29 April 2008,

In line with the Company's long-term strategies, investments and financing plans and profitability, dividends corresponding to at least to 20% of the attributable profit, computed in accordance with the CMB communiqués and regulations, can be distributed in cash or in the form of bonus shares of stock, or some combination of the two. This is the Company's policy for the next three years. Any change in this policy will be publicly disclosed.

The Dividend Distribution in the Year 2007

At the Ordinary General Meeting of our company held on 29 April 2008, it was resolved that gross cash dividend in the amount of TRY 105,494,954.71 be given for the shares representing the capital in the amount of TRY 178,030,000 and the dividend payments be started as from May 1, 2008.

So,

- A Ykr 59.25684 gross=net cash dividend per share with a nominal value of TRY 1 representing a ratio of 59.25684% to resident corporate shareholders and shareholders who are entitled to dividends through a company or a permanent representative in Turkey,
- A Ykr 59.25684 gross cash dividend (Ykr 50.36832 net) per one share with a nominal value of TRY 1 to other shareholders, which represents a ratio of 59.25684%.

The first and second legal reserves, as well as the distributable profit totaling TRY 105,494,954.71 be totally covered from the current year's other income.

The respective shares of dividend are transferred by the intermediary institution to the dividend accounts of the shareholders who are monitored by the Central Registration Agency as per the regulations of the Capital Markets Legislation on registration system (the shareholders who shares are listed in the Stock Exchange).

As laid out in the General Letter of the Central Registration Institution ("MKK") numbered 294, the shareholders have not their shares registered as per provisional article 6 of the Capital Market Board the dividends which are payable for such shares that have not been registered for the period after 31.12.2007 must not be paid to the respective shareholders and the payment may be made only after the registration. In order for our shareholders whose shares are not monitored within the framework of the regulations on registration system and physically hold their share certificates to collect their dividends, they should have their shares registered. The dividend distribution was commenced, as from **May 1, 2008**, at the branches of Yapı Kredi Bankası A.Ş. as listed in the corporate web site of our company (www.migros.com.tr) and at Harbiye Branch of Yapı Kredi Yatırım Menkul Değerler A.Ş.

SECTION 2: FINANCIAL INFORMATION

Sales and Revenue

(thousand TRY)

	1 January – 30 June 2008	1 January – 30 June 2007
Domestic sales	2,297,214	1,971,029
Foreign sales	98,995	84,184
	2,396,209	2,055,213
Other sales	2,045	2,291
	2,398,254	2,057,504
Less: Discounts and returns	(33,969)	(29,286)
Sales revenue - net	2,364,285	2,028,218

The consolidated sales of our company have increased by 16.6% in the half of 2008 compared to the same period of the previous year and realized as thousand TRY 2,364,285. The consolidated sales are composed of domestic sales by 95.8%. The increase in sales stems from the existing stores and the new stores opened during the period between January-June 2008.

Sales By Countries

(thousand TRY)

	1 January – 30 June 2008	1 January – 30 June 2007
Turkey	2,263,882	1,942,283
Kazakhstan	77,289	64,077
Bulgaria	14,133	13,749
Azerbaijan	8,981	8,109
Net sales from continuing operations	2,364,285	2,028,218
Net sales from discontinued operations	-	235,841

Capital Expenditures

(thousand TRY)

	1 January – 30 June 2008	1 January – 30 June 2007
Turkey	52,919	72,511
Kazakhstan	2,954	704
Azerbaijan	20	69
Bulgaria	15	34
Discontinued Operations (Russia)	-	20,709
	55,908	94,027

Import

The total amount of import was thousand TRY 2,974 in 1H 2007, and increased by 168% to thousand TRY 7,960 in 1H 2008.

The Financial Ratios

The financial resources and the risk management policies

Loans

In the first half of 2008, no new loans have been utilized. As from June 30, 2008, the outstanding loan debt of the company stands at thousand TRY 113,505, and part of thousand TRY 65,232 shall be re-paid within 1 year.

Risk management policies

The company is exposed to various financial risks including effects of the changes in the foreign exchange rates and interest rates due to foreign exchange loans utilized by the company. The risk management is applied by each subsidiary within the framework of the policies approved by the board of Directors.

The financial borrowing foreign exchange risk is followed and limited by analyzing the foreign currency position.

The funding risk of the existing and future debt requirements is managed by maintaining adequate number and high quality of lenders. In order to manage the interest rate risk, the company evaluates the interest bearing assets at the short-term investment instruments within the framework of principle of management by natural precautions by balancing the terms of the assets and liabilities sensitive to the interest rate.

The significant events that take place from ending of the fiscal period to publication of the respective financial statements

In the footnote regarding Events After Balance Sheet Date of the Consolidated Financial Statements, necessary explanations have been made on this matter.

The quality and amount of the capital market instruments that have been issued

N/A.

Main Ratios Corresponding to Financial Structure, Profitability and Reckoning

Migros IFRS Consolidated Income Statement Summary (Thousand TRY)	June 08	%	June 07	%	Change %
Net Sales	2,364,285	100.0	2,028,218	100.0	16.6
Cost of sales (-)	-1,759,157	-74.4	-1,529,636	-75.4	15.0
Gross Profit	605,128	25.6	498,582	24.6	21.4
Operating Expenses	-477,073	-20.2	-406,628	-20.0	17.3
Other Income / (Gains)	16,246	0.7	8,597	0.4	89.0
Operating Profit	144,301	6.1	100,551	5.0	43.5
Other Financial Income / (Gains)	4,730	0.2	3,857	0.2	22.6
Income From Associates	0	0.0	-650	0.0	-100.0
Income Before Tax From Continuing Operations	149,031	6.3	103,758	5.1	43.6
Continuing Operations Tax Expenses	-22,027	-0.9	-22,771	-1.1	-3.3
Income For The Period From Continuing Operations	127,003	5.4	80,987	4.0	56.8
Income After Tax For The Period From Discontinued Operations	0	0.0	-1,608	-0.1	-100.0
Income For The Period	127,003	5.4	79,379	3.9	60.0
<i>Income For The Period-Minority Interest</i>	22	0.0	21	0.0	4.8
<i>Income For The Period-Parent Company Shares</i>	126,981	5.4	79,358	3.9	60.0
EBITDA	177,787	7.5	140,789	6.9	26.3

Migros IFRS Consolidated Balance Sheet Summary (Thousand TRY)	June 08	%	Dec. 07	%	Change %
Current Assets	1,452,350	55.3	1,664,525	58.8	-12.7
Non-current Assets	1,172,125	44.7	1,165,200	41.2	0.6
Total Assets	2,624, 475	100.0	2,829,725	100.0	-7.3
Current Liabilities	1,086,330	41.4	1,180,047	41.7	-7.9
Non-current Liabilities	84,996	3.2	180,345	6.4	-52.9
Total Liabilities	1,171,326	44.6	1,360,392	48.1	-13.9
Parent Company Shareholders' Equity	1,452,830	55.4	1,469,068	51.9	-1.1
Minority Interest	319	0.0	265	0.0	20.4
Shareholders' Equity	1,453,149	55.4	1,469,333	51.9	-1.1
Total Liabilities and Shreholders' Equity	2,624,475	100.0	2,829,725	100.0	-7.3

Consolidated (Thousand TRY)	June 08	%	June 07	%	Change %
Sales	2,364,285	100.0	2,028,218	100.0	16.6
Gross Profit	605,128	25.6	498,582	24.6	21.4
Operating Profit	144,301	6.1	100,551	5.0	43.5
EBITDA	177,787	7.5	140,789	6.9	26.3

Turkey (Thousand TRY)	June 08	%	June 07	%	Change %
Sales	2,263,882	100.0	1,942,283	100.0	16.6
Gross Profit	577,324	25.5	474,886	24.4	21.6
Operating Profit	135,304	6.0	89,004	4.6	52.0
EBITDA	167,286	7.4	131,377	6.8	27.3

Kazakhstan (Thousand TRY)	June 08	%	June 07	%	Change %
Sales	77,289	100.0	64,077	100.0	20.6
Gross Profit	19,798	25.6	16,440	25.7	20.4
Operating Profit	6,083	7.9	5,923	9.2	2.7
EBITDA	6,993	9.0	6,587	10.3	6.2

Bulgaria (Thousand TRY)	June 08	%	June 07	%	Change %
Sales	14,133	100.0	13,749	100.0	2.8
Gross Profit	5,537	39.2	5,216	37.9	6.2
Operating Profit	2,064	14.6	5,322	38.7	-61.2
EBITDA	2,491	17.6	2,247	16.3	10.9

Azerbaijan (Thousand TRY)	June 08	%	June 07	%	Change %
Sales	8,981	100.0	8,109	100.0	10.8
Gross Profit	2,469	27.5	2,040	25.2	21.0
Operating Profit	850	9.5	302	3.7	181.5
EBITDA	1,017	11.3	477	5.9	113.2

LIQUIDITY RATIOS	June 08	December 07
Current Ratio	1.34	1.41
Liquidity Ratio (Acid-Test)	0.94	1.07
Cash Ratio	0.88	0.84
Working Capital (Thousand TRY)	366,020	484,478
Cash Conversion Cycle (in days)*	-46.0	-51.5

*It was calculated from average balances.

FINANCIAL STRUCTURE RATIOS	June 08	December 07
Financial Leverage	0.45	0.48
Total Liabilities / Shareholders' Equity	0.81	0.93
Current Liabilities / Total Assets	0.41	0.42
Non-current Liabilities / Total Assets	0.03	0.06
Net Cash Position / Shareholders' Equity	0.57	0.48
Financial Liabilities / Shareholders' Equity	0.08	0.18
Financial Liabilities / Total Assets	0.04	0.09
Total Financial Liabilities (Thousand TRY)	113,505	260,491
Interest Coverage Ratio **	26.81	4.82
Net Cash Position (Thousand TRY)	827,845	707,838
Net Foreign Currency Position (Thousand TRY)	26,274	32,678

** Net operating profit was considered at December 2007 calculation.

PROFITABILITY RATIOS (%)	June 08	June 07
Return On Equity (ROE)	8.7	8.3
Return On Assets (ROA)	4.8	2.9
Gross Profit Margin	25.6	24.6
EBITDA Margin	7.5	6.9
Operating Profit Margin	6.1	5.0
Income Before Tax Margin	6.3	5.1
Net Income Margin	5.4	3.9

SHARE PERFORMANCE RATIOS	June 08	June 07	Change %
Market Cap (Thousand TRY)	3,596,206	3,877,871	-7.3
Share Price (TRY)	20.20	22.00	-8.2
Earnings Per Share (EPS) (Ykr)	0.71	0.45	57.8
Price-earnings Ratio (Annual)	14.2	24.4	-41.9

SECTION 3: OPERATIONAL ACTIVITIES

Position of Migros in the Sector and Investments

Operating in the food and consumer goods sector, Migros Türk T.A.Ş. is engaged in the retail sale of all types of food products and consumer goods, as well as their wholesale for retail consumption. The Company also operates shopping malls in Turkey and abroad through its associates.

The Company merged with Tansaş, a strong supermarket chain in the Turkish retailing sector, through the acquisition of Tansaş as a whole on 30 June 2006, upon which Tansaş stores were incorporated into the Company's network. With the integration of Tansaş stores into its structure, the Company commanded a store network of 1.051 stores in total at the end of June 30, 2008: of these 92 M, 94 MM, 43 MMM, 536 Şok, 3 5M, 259 Tansaş and 8 Macrocenter stores in seven geographical regions throughout Turkey, as well as 3 Ramstores in Azerbaijan, 10 Ramstores in Kazakhstan, 2 Ramstores in Macedonia and 1 Ramstor in Kyrgyzstan operated through its associates abroad. Drawing on half a century of experience, Migros sustains its leadership in the sector.

It was resolved that all fixtures and equipment of Silivri, Tekirdağ and Çengelköy stores of Maxi markets, the local retail chain belonging to Hamoğlu Group, with a total selling area of 13.000 sqm. be bought on 01. 08.2008 by Migros and lease contracts of the said 3 stores are issued in the name of our company and such case are noted on the records of land registry office. The said transaction of transfer shall be valid following permission of Capital Markets Board.

During January-June 2008, Migros Türk T.A.Ş. opened 9 Migros, 12 Tansaş, 82 Şok and 1 Ramstore stores under:

M format; Çiçekçi, Teşvikiye Hüsrev Gerede in İstanbul, Kemer Çamyuva in Antalya,

MM format; Mersin Tömük in İçel, Airport in İstanbul

MMM format; Zirvekent in Ankara, Çamlık Forum in Denizli, Halkalı Ihlamur Evleri in İstanbul, Forum in Trabzon,

Mini Tansaş format; Metrokent in Ankara, Avcılar in İstanbul, Çandarlı, Mordoğan in İzmir, Salihli Çarşı in Manisa,

Midi Tansaş format; Güzelçamlı Kuşadası in Aydın, Mirzabey in Balıkesir, Orhangazi in Bursa, Akçakoca in Düzce, Bahçelievler Metroport AVM, Pendik in İstanbul, Ürkmez Payamlı in İzmir,

Şok format; Hastaneler, Karataş, Beyazevler in Adana, Emek Güneyce, Beştepe, 100. Yıl in Ankara, Güzeloba, Karatay Göksu, Side Yalı in Antalya, Arhavi in Artvin, Söke Merkez, Kuşadası Güzelçamlı in Aydın, Sarımsaklı Merkez, Akçay, Güre in Balıkesir, Çarşı in Bolu, Gemlik, İnegöl in Bursa, Küçükkuyu in Çanakkale, Alaca, Ulukavak in Çorum, Buldan in Denizli, Keşan in Edirne, Osmangazi, Kavaklı, Nizip in Gaziantep, Antakya Reyhanlı in Hatay, Mersin Davultepe, Mersin Yenimahalle, Mersin Taşucu in İçel, Tuzla İstasyon, Kozyatağı İntaş, Gaziosmanpaşa Cadde, Fındıkzade Kızılelma, Büyükçekmece Yeşilkent, Kartal Cadde, Tarabya Sahil, Ümraniye Merit Life, Avcılar Merkez, Silivri Semizkum, Riva, Galata, Yedikule, Ataşehir Baraj Yolu, İçerenköy İnönü in İstanbul, Ürkmez, Özdere Ondörtöveler, Çeşme Dalyan, Güzelbahçe, Çeşme Şifne, Torbalı in İzmir, Sarayaltı in Kahramanmaraş, Çengeller in Kastamonu, Develi, Belsin in Kayseri, Tavşanlı, Merkez in Kütahya, Gölcük Otopan, İzmit Yarımca Atalar in Kocaeli, Selçuklu in Konya, Turgutlu, Akhisar Reşatbey in Manisa, Datça, Fethiye Kesikkapı, Fethiye Hisarönü, Milas Ören, Bodrum Gümbet, Bodrum Akçaalan in Muğla, Karasu Merkez FRC in Sakarya, Bahçelievler, Atakum in Samsun, Çerkezköy Cadde in Tekirdağ, Erbaa, Turhal, Zile in Tokat, Banaz in Uşak, Armutlu, Esenköy in Yalova, Sorgun in Yozgat, Karadeniz Ereğli, Karadeniz Bağlık, Devrek İnönü in Zonguldak

Ramstore format; Dirjinskovo in Kazakhstan

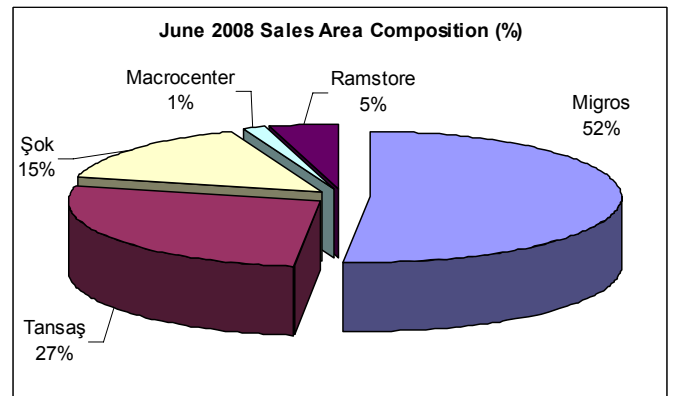
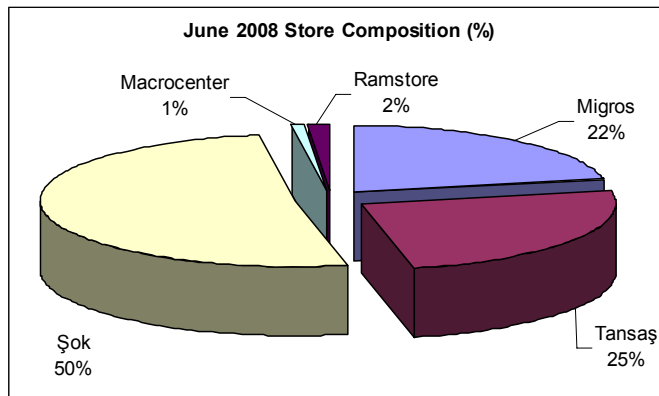
The company's foreign net sales area has increased by 12.2% compared to the first half of the 2007 to 609,215 sqm. The store efficiency as a result of the campaigns conducted and the increased customer satisfaction rose, and the annualized domestic sales per sqm increased by 5.5% to TRY 7,707 compared to the same period of the previous year. In the first half of 2008, the number of customers has increased by 11.6% compared to the same period of the previous year and reached a total number of 138.3 million. The sales per customer increased by 2.6% compared to the same period of the previous year and increased to TRY 17.75.

The sales through Migros Club Card, that continues to be the largest card program of Turkish retail market, reached 78% in January-June 2008.

Number of Stores	June 2007	Dec. 2007	June 2008
Turkey			
5M*	3	3	3
MMM	36	40	43
MM	86	91	94
M	84	89	92
Şok	415	460	536
Mini	121	123	128
Midi	77	76	83
Maxi	45	48	48
Macrocenter	8	8	8
Number of Stores - Domestic	875	938	1.035
Net Sales Area – Domestic (m²)	543,067	576,525	609,215
International			
Russia**	57	-	-
Kazakhstan	7	9	10
Azerbaijan	3	3	3
Bulgaria	-	-	-
Macedonia	2	2	2
Kyrgyzstan	1	1	1
Number of Stores - International	70	15	16
Net Sales Area – International (m²)	161,759	27,244	28,956
Total number of stores	945	953	1.051
Total net sales area (m²)	704,826	603,769	638,171

* The Company converted its large stores which did not fall into the M, MM or MMM classification into the 5M format

** Ramenka Limited LLP (Ramenka) is sold to Enka Holding Investment S.A. on 9 November 2007 and its stores were removed from our portfolio.



BÖLÜM 4: The Other Issues

Information on Extraordinary General Meeting

At the board of directors meetings of company held on 24th July 2008;

The Board of Directors of our company convened and resolved the Extraordinary General Meeting to be held on September 04, 2008 Thursday, at 11:00 a.m., at Migros Türk T.A.Ş. Head Office, Turgut Özal Bulvarı No:6 34758 Ataşehir Kadıköy / İstanbul to resolve the matters stated in the below agenda including the amendment of Articles of Association. With regards to amendment of article 7 of Articles of Association concerning Board of Directors, preliminary permission has been taken from Board of Capital Markets under letter dated 08.07.2008 and number 1120-11352 and from Republic of Turkey, Ministry of Industry and Commerce, under letter dated 22.07.2008 and number 95612-3713.

MEETING AGENDA SEPTEMBER 04, 2008

- 1 - Opening and election of the Presiding Council of Meeting
- 2 - Reading and discussion the Board of Directors' Report, Audit Report and Independent External Audit Report concerning the time period of 01.01.2008–31.05.2008. Making resolution over the approval or rejection of the balance sheet and income table concerning the time period of 01.01.2008–31.05.2008 by Board of Directors.
- 3 - Approval of the discharge of Directors and Internal Auditors for the operations of the Company concerning the fiscal period of 01.01.2008-31.05.2008,
- 4 - Approval of the appointed members of the Board of Directors within the year in accordance with Article 315 of the Turkish Code of Commerce,
- 5 - Approval of the appointed Internal Auditors within the year in accordance with Article 351 of the Turkish Code of Commerce,
- 6 - Determination of the gross remuneration of Board of Directors and Internal Auditors,
- 7 - Taking a resolution as proposed by the Board of Directors over the amendment of the Article 7 of Articles of Association related to the composition of the board of directors,
- 8 - To raise the number of the members of the Board of Directors to 11 and to elect the two new members of Board of Directors, after the registration of the amendment of Article 7 of Articles of Association.
- 9 - Granting permission for Board Members to act in person or on behalf of others in the commercial transactions within the purpose of the company and to participate in the companies for the similar purpose and take other related actions in accordance with Articles 334-335 of Turkish Commercial Code,
- 10 - Authorize Presiding Council to Sign Minutes of Meeting on behalf of the General Assembly,
- 11 - Wishes.

MİGROS TÜRK T.A.Ş. AMENDMENT TO ARTICLES OF ASSOCIATION

PREVIOUS VERSION

Article 7- The operations and management of the Company shall be conducted by the Board of Directors consisting of nine members to be elected among the shareholders in the General Assembly in accordance with the Turkish Commercial Code.

In case of any vacancy of a board membership, the Board of Directors shall appoint a new member to be approved in the General Assembly in accordance with Article 315 of the Turkish Commercial Code.

NEW VERSION

Article 7- The operations and management of the Company shall be conducted by the Board of Directors consisting of eleven members to be elected among the shareholders in the General Assembly in accordance with the Turkish Commercial Code.

In case of any vacancy of a board membership, the Board of Directors shall appoint a new member to be approved in the General Assembly in accordance with Article 315 of the Turkish Commercial Code.

SECTION 5: CORPORATE GOVERNANCE

Statement of Compliance with Corporate Governance Principle

Migros Türk T.A.Ş., as a matter of principle, adheres to Corporate Governance Principles that were adopted by the Capital Markets Board of Turkey (CMB) Resolution No. 35/835 dated July 4, 2003 and announced to the public in July 2003. Migros is aware of the benefits that the implementation of these principles will bring to the Company, its stakeholders and ultimately the country. Deficiencies in implementation are reviewed with a view to continuous improvement and efforts are underway to fix these shortcomings in order for Migros to be an exemplary role model.

The Company adopted the main principles of Corporate Governance which are:

- a) Fairness
- b) Transparency
- c) Responsibility
- d) Accountability

During the year, business processes regarding intra-company reporting and business conduct were improved and made more effective. In 2007, the Company set up the Corporate Governance Committee within the framework of compliance with the Capital Market Legislation and Corporate Governance Principles. At the Board of Directors meeting of 13 May 2008, it has been decided to elect Levent Çakıroğlu, Erkin Yılmaz and Ömer Özgür Tort as members of the committee.

In an effort to keep the shareholders informed, the Company renewed its corporate website in 2005 and enriched its substance and content during 2007, thereby allowing the shareholders to have access to more information about the Company.

The Company's Corporate Governance Principles Compliance Report can be accessed at the corporate website (www.migros.com.tr) in the Investor Relations section, in addition to the annual report.

Investor Relations

As a matter of corporate policy, Migros attaches great importance to relationships with shareholders. A unit that reports to the Assistant General Manager for Finance was created to respond to the shareholders' requests for information about the Company. The unit manages the processes related to the Company's general assembly, capital increases and dividend payments. This unit handles all demands and transactions of the shareholders regarding capital increases and dividend payments.

In addition, the unit represents and acts as the contact center of the Company in its relations with various institutions including the CMB, İstanbul Stock Exchange (ISE), Central Registry Agency Inc. (CRA) and Takasbank (ISE Settlement and Custody Bank Inc). Among the unit's other activities are keeping records of the Board of Directors meetings and material disclosures to the ISE in compliance with the CMB Communiqué Serial: VII No: 39. Within the scope of the Public Disclosure Platform (in Turkish: KAP) of the CMB, these material disclosures and other announcements are also posted on the electronic environment using software developed by TÜBİTAK. Migros' Investor Relations Unit monitors relevant legislation as well as CMB communiqués and informs the senior management about the subjects and issues requiring compliance.

The unit also responds to the information requests about the Company. Using all available means of communication (one-on-one meetings, conference participations, meetings, corporate website, phone, email, investor bulletins, investor presentations, etc.), the unit informs Migros shareholders and brokerage analysts about the Company. The unit is responsible for the preparation of the annual report as well as the coordination of Corporate Governance operations and activities. It identifies the improvement areas, and based on continuous improvement philosophy, supports the Company's senior management to make Migros a role model in this department.

All shareholders requesting information about the Company can submit their queries by sending e-mail to investor_relations@migros.com.tr. All other channels of communication are also available for the shareholders.