

MiGROS



Migros Türk T.A.Ş.

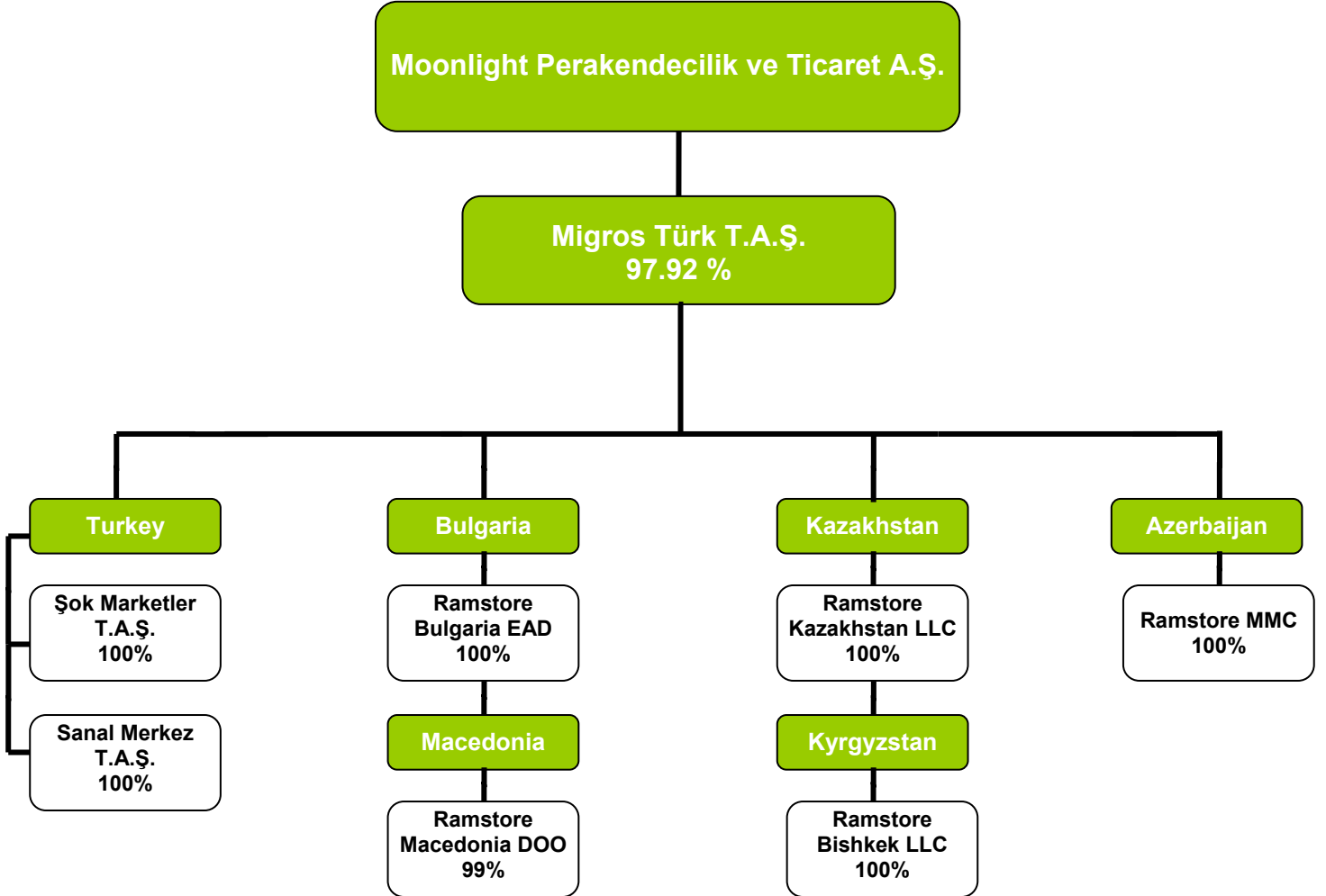
01.01.2008 – 31.12.2008

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 34758 Ataşehir - 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 TRY
Paid - in - Capital	: 178.030.000 TRY
Stock Exchange	: İstanbul Stock Exchange
IPO	: 1991
Symbol	: MIGRS.IS

Migros Türk Organigram as of 31 December 2008



INTRODUCTION: AN ECONOMIC REVIEW AND RETAIL MARKET

According to TurkStat (Turkish Statistical Institute), GDP, which rose by 4.2% in real terms in the last quarter of 2007, shrunk by 6.2% and plunged TRY 232.2 billion in nominal prices in the last quarter of 2008. GDP, rose by 1.1% in real terms in 2008 and reached TRY 950.1 billion with nominal prices. Domestic food, alcoholic beverages, and tobacco consumptions climbed by 2.4% with constant prices in 2008 and have occurred over the GDP, which increased by 1.1% in 2008. In 2008, food, alcoholic beverages, and tobacco consumptions climbed to TRY 181.2 billion and registered an increase of 13% at nominal basis.

According to Retail Index results of Trade Council of Shopping Centers and Retailers (TCSCR), sales turnover of organized retail increased by 13% in December over a month ago and decreased by 4% as compared to December 2007. Sales turnover rose by 7% in 2008. The revenues in food retail market increased by 9% in December, compared to the previous month. Annual increase in sales turnover realized 5%. The revenues in food retail market decreased by 7% in December 2008 as compared to December 2007. The annual change in non-food retail market has been calculated as 10%. In organized food retail sector, the sales area increased by 1% in December, compared to November. In food retail, the sales area has jumped by 20% in 2008. Number of stores rose by 14% in 2008. In terms of organized retail market, revenue index per sqm. grew by 12% in December 2008. The revenue performance per sqm. in December has recorded a decrease of 13% as compared to December 2007. The efficiency shrunk by 4% in December 2007, over a year ago. In food retail market, revenue per sqm. plummeted by 15% compared to December 2007, but increased by 7% compared to November 2008.

Data provided by Nielsen indicates that FMCG sector achieved nearly 13.7% growth in dollar terms, with activity in the sector jumped over USD 35.6 billion. Total trade grew by 2.4% in real terms in 2008 on a Turkish lira basis, where the volume growth was at 4.3%. The annual price increase in food and retail was 8.7%.

In terms of CPI (Consumer price index), food and non-alcoholic beverages group rose by 11.90% in 2008. CPI which was 8.4% in 2007 reached to 10.06% in 2008, therefore CPI target, 4%, for 2008 couldn't be achieved.

The mild increase of the Cnbc-e Consumer Confidence Index since April changed its trend and the index dropped significantly in September, October and November. Index maintains it's lowest ever level since the beginning of the year in November with 53.60 and increased by 12.9% in December. Finally, the Consumer Confidence Index, which was 93.53 in December 2007, dropped to 60.50 in December 2008. Besides, index maintains it's lowest ever level since the last 5 years period.

SECTION 1: CORPORATE INFORMATION

Board of Directors

According to Resolutions of Board of Directors dated 30 May 2008 and 24 July 2008 and Minutes of Extraordinary General Meeting dated 04 September 2008, members of the Board of Directors and Auditors are shown below.

Board of Directors

Fevzi 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
Warith Mubarak Said Al Kharusi	Member
Pedro Miguel Stemper	Member

Auditors

Mustafa Bilgutay Yaşar	Auditor
Yüksel Toparlak	Auditor
Recep Bıyık	Auditor

Also, Stefano Ferraresi and Evren Rıfki Ünver have been elected as the members of the Audit Committee at the Board of Directors Meeting of our company dated 22 October 2008.

Information About Appointments of Board of Directors and Auditors

In the Extraordinary General Meeting of our Company, held on 4th September 2008,

Pursuant to the resolution number 867 of the Board of Directors, dated 17th June 2008, it has been decided that article 7 of the Articles of Association related to the Board of Directors is changed in accordance with the prior authorization number 1120 – 11352 of Capital Markets Board, dated 08.07.2008 and the prior authorization number 3713 of Republic of Turkey Ministry of Industry and Trade, dated 22.07.2008. Following the amendment of article 7 of the Articles of Association, the number of Members of Board of Directors has been increased from 9 to 11 and Warith Mubarak Said Al Kharusi and Pedro Miguel Stemper have been appointed as Members of Board of Directors in addition to the current Members of Board of Directors, Fevzi Bülent Özaydınlı, Antonio Belloni, Francesco Conte, Nicholas Stathopoulos, Stefano Ferraresi, Brice Cedric Dubourdieu, Paolo Federico Ceretti, Evren Rıfki Ünver and Ömer Özgür Tort.

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. 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 are as follows:

As of 31 December 2008;

Migros Türk T.A.Ş.		
Shareholder	Share (%)	Amount (TRY)
Moonlight Perakendecilik ve Ticaret A.Ş.	97.92	174,323,340.16
Other	2.08	3,706,659.84
Total	100.00	178,030,000.00

Information About the Most Recent Capital Increase

No increase was made in the capital during 2008.

Information on General Assembly Meeting

Extraordinary General Assembly Meeting

Meeting Minutes and List of Attendees pertaining to Extraordinary General Meeting of our company dated 04.09.2008 have been disclosed in our corporate web site (www.migros.com.tr). At the extraordinary general meeting, the consolidated financial statements dated 31.05.2008 prepared according to UFRS for the share transfer, amendment in the articles of association and the other items contained in the General Meeting Agenda were accepted.

It has been decided that article 7 of the Articles of Association related to the Board of Directors has been amended in accordance with the prior authorization number 1120 – 11352 of Capital Markets Board, dated 08.07.2008 and the prior authorization number 95612 - 3713 of Republic of Turkey Ministry of Industry and Trade, dated 22.07.2008. The former and new versions of the Articles of Association are presented in "Amendments in the Articles of Association During the Period" section of this report.

Following the amendment of article 7 of the Articles of Association, the number of Members of Board of Directors has been increased from 9 to 11 and Warith Mubarak Said Al Kharusi and Pedro Miguel Stemper have been appointed as Members of Board of Directors in addition to the current Members of Board of Directors, Fevzi Bülent Özyaydınlı, Antonio Belloni, Francesco Conte, Nicholas Stathopoulos, Stefano Ferraresi, Brice Cedric Dubourdieu, Paolo Federico Ceretti, Evren Rıfkı Ünver and Ömer Özgür Tort.

General Assembly 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 accepted by Board of Directors at the General Meeting.

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 – 31 December 2008	1 January – 31 December 2007
Domestic sales	4,939,626	4,315,477
Foreign sales	218,735	524,569
	5,158,361	4,840,046
Other sales	7,585	20,238
	5,165,946	4,860,284
Less: Discounts and returns	(92,200)	(66,925)
Sales revenue - net	5,073,746	4,793,359

The consolidated net sales of our company have increased by 5.8% in 2008 compared to the same period of the previous year and realized as thousand TRY 5,073,746. The consolidated sales are composed of domestic sales by 95.6%. The increase in sales stems from the existing stores and the new stores opened during the 2008.

Sales By Countries

(thousand TRY)

	1 January – 31 December 2008	1 January – 31 December 2007
Turkey	4,849,976	4,251,932
Kazakhstan	173,895	141,971
Bulgaria	30,329	26,965
Azerbaijan	19,546	17,104
Net sales from continuing operations	5,073,746	4,437,972
Net sales from discontinued operations	-	355,387
	5,073,746	4,793,359

Capital Expenditures

(thousand TRY)

	1 January – 31 December 2008	1 January – 31 December 2007
Turkey	163,411	165,775
Kazakhstan	4,204	4,846
Azerbaijan	520	92
Bulgaria	46	119
Discontinued Operations (Russia)	-	44,195
	168,181	215,027

Import

The total amount of import was thousand TRY 10,643 in 2007, and increased by 92% to thousand TRY 20,438 in 2008.

The Financial Ratios

The financial resources and the risk management policies

Loans

In 2008, no new loans have been utilized. As from December 31, 2008, the outstanding loan debt of the company stands at thousand TRY 82,002, and part of thousand TRY 44,024 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)	December 08	%	December 07	%	Change %
Net Sales	5,073,746	100.0	4,793,359	100.0	5.8
Cost of sales (-)	-3,766,990	-74.2	-3,598,461	-75.1	4.7
Gross Profit	1,306,756	25.8	1,194,898	24.9	9.4
Operating Expenses	-1,024,653	-20.2	-981,039	-20.5	4.4
Other Income / (Gains)	14,044	0.3	397,695	8.3	-96.5
Operating Profit	296,147	5.8	611,554	12.8	-51.6
Financial Income / (Gains)	25,424	0.5	26,860	0.6	-5.3
Income From Associates	0	0.0	216	0.0	-100.0
Income Before Tax	321,571	6.3	638,630	13.3	-49.6
Tax Income / (Expenses)	-60,039	-1.2	-85,717	-1.8	-30.0
Income For The Period	261,532	5.2	552,913	11.5	-52.7
<i>Income For The Period-Minority Interest</i>	53	0.0	38	0.0	39.5
<i>Income For The Period-Parent Company Shares</i>	261,479	5.2	552,875	11.5	-52.7
EBITDA	384,160	7.6	326,442	6.8	17.7

Migros IFRS Consolidated Balance Sheet Summary (Thousand TRY)	December 08	%	December 07	%	Change %
Current Assets	1,649,980	57.0	1,664,525	58.8	-0.9
Non-current Assets	1,246,276	43.0	1,165,200	41.2	7.0
Total Assets	2,896,256	100.0	2,829,725	100.0	2.4
Current Liabilities	1,191,953	41.2	1,180,047	41.7	1.0
Non-current Liabilities	79,919	2.8	180,345	6.4	-55.7
Total Liabilities	1,271,872	43.9	1,360,392	48.1	-6.5
Parent Company Shareholders' Equity	1,623,997	56.1	1,469,068	51.9	10.5
Minority Interest	387	0.0	265	0.0	46.0
Shareholders' Equity	1,624,384	56.1	1,469,333	51.9	10.6
Total Liabilities and Shareholders' Equity	2,896,256	100.0	2,829,725	100.0	2.4

Consolidated (Thousand TRY)	December 08	%	December 07	%	Change %
Sales	5,073,746	100.0	4,793,359	100.0	5.8
Gross Profit	1,306,756	25.8	1,194,898	24.9	9.4
Operating Profit	296,147	5.8	611,554	12.8	-51.6
EBITDA	384,160	7.6	326,442	6.8	17.7

Turkey (Thousand TRY)	December 08	%	December 07	%	Change %
Sales	4,849,976	100.0	4,251,932	100.0	14.1
Gross Profit	1,245,315	25.7	1,029,055	24.2	21.0
Operating Profit	275,648	5.7	591,611	13.9	-53.4
EBITDA	358,846	7.4	282,009	6.6	27.2

Kazakhstan (Thousand TRY)	December 08	%	December 07	%	Change %
Sales	173,895	100.0	141,971	100.0	22.5
Gross Profit	44,140	25.4	35,039	24.7	26.0
Operating Profit	13,961	8.0	12,369	8.7	12.9
EBITDA	16,968	9.8	13,292	9.4	27.7

Bulgaria (Thousand TRY)	December 08	%	December 07	%	Change %
Sales	30,329	100.0	26,965	100.0	12.5
Gross Profit	11,884	39.2	9,726	36.1	22.2
Operating Profit	4,704	15.5	7,333	27.2	-35.9
EBITDA	6,090	20.1	4,262	15.8	42.9

Azerbaijan (Thousand TRY)	December 08	%	December 07	%	Change %
Sales	19,546	100.0	17,104	100.0	14.3
Gross Profit	5,417	27.7	4,333	25.3	25.0
Operating Profit	1,834	9.4	1,086	6.3	68.9
EBITDA	2,256	11.5	1,407	8.2	60.3

LIQUIDITY RATIOS	December 08	December 07
Current Ratio	1.38	1.41
Liquidity Ratio (Acid-Test)	0.97	1.07
Cash Ratio	0.92	0.84
Working Capital (Thousand TRY)	458,027	484,478
Cash Conversion Cycle (in days)*	-47.7	-52.7

*It was calculated from average balances.

FINANCIAL STRUCTURE RATIOS	December 08	December 07
Financial Leverage	0.44	0.48
Total Liabilities / Shareholders' Equity	0.78	0.93
Current Liabilities / Total Assets	0.41	0.42
Non-current Liabilities / Total Assets	0.03	0.06
Net Cash Position / Shareholders' Equity	0.61	0.48
Financial Liabilities / Shareholders' Equity	0.05	0.18
Financial Liabilities / Total Assets	0.03	0.09
Total Financial Liabilities (Thousand TRY)	82,002	260,491
Interest Coverage Ratio **	37.74	13.83
Net Cash Position (Thousand TRY)	995,630	707,838
Net Foreign Currency Position (Thousand TRY)	137,619	29,090

PROFITABILITY RATIOS (%)	December 08	December 07
Return On Equity (ROE)	16.1	37.6
Return On Assets (ROA)	9.0	19.5
Gross Profit Margin	25.8	24.9
EBITDA Margin	7.6	6.8
Operating Profit Margin	5.8	12.8
Income Before Tax Margin	6.3	13.3
Net Income Margin	5.2	11.5

SHARE PERFORMANCE RATIOS	December 08	December 07	Change %
Market Cap (Thousand TRY)	2,439,011	4,076,887	-40.2
Share Price (TRY)	13.70	22.90	-40.2
Earnings Per Share (EPS) (Ykr)	1.47	3.11	-52.7
Price-earnings Ratio (Annual)	9.3	7.4	26.5

Our Company's consolidated sales increased by 5.8% YoY to TRY 5,074 million in 2008, from TRY 4,793 million in 2007. Consolidated gross profit rose by 9.4% YoY to TRY 1,307 million and consolidated gross profit margin climbed from 24.9% to 25.8%. Consolidated operating profit exceed to TRY 296 million with an operating profit margin of 5.8%. EBITDA grew by 18% and rose to TRY 384 million. EBITDA margin climbed from 6.8% to 7.6%. Pre-tax profit and net profit reached to TRY 322 million and TRY 262 million respectively.

Migros, sold 50% shares of Ramenka to Enka Group on 09 November 2007 and Ramenka operations were consolidated Migros' 2007 financial results until that day. To perform a fair analysis of the Company's performance, one should exclude Ramenka effect from 2007 results. In this case, Migros' consolidated sales and gross profit growth corresponded to 14.3% 21.2% respectively. On the other hand, as a result of the said share transfer, TRY 380 million affiliate sales profit has been recorded in 2007. Profit, coming from Ramenka sale, has been classified in income from other operations as a nonrecurring income. Excluding this nonrecurring income effect, operating margin growth reached to 27.9% and pre-tax profit growth increased to 24%.

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 1.191 stores in total at the end of December 31, 2008, of these 93 M, 101 MM, 44 MMM, 652 Şok, 6 5M, 271 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 Ramstore in Kyrgyzstan operated through its associates abroad. Drawing on half a century of experience, Migros sustains its leadership in the sector.

During 2008, Migros Türk T.A.Ş. opened 24 Migros, 25 Tansaş, 201 Şok and 1 Ramstore stores under:

M format; Konutkent in Ankara, Kemer Çamyuva in Antalya, Çiçekçi, Teşvikiye Hüsrev Gerede in İstanbul, Erbaa in Tokat,

MM format; Süsrü in Elazığ, Karataş in Gaziantep, Mersin Tömük, Mersin Soli in İçel, Airport, Kamiloba, Çengelköy, Uphill in İstanbul, Yahyakaptan AVM in Kocaeli,

MMM format; Zirvekent in Ankara, Çamlık Forum in Denizli, Halkalı İhlamur Evleri, Optimum, Ortaköy in İstanbul, Forum in Trabzon, Maxi Center in Tekirdağ,

5M format; Silivri in İstanbul, Kayseri in Kayseri, Manisa in Manisa,

Mini Tansaş format; Metrokent in Ankara, Yüzüncü Yıl in Antalya, Avcılar, Gizlibahçe Tuzla in İstanbul, Çandarlı, Mordoğan, Ilica Çeşme in İzmir, Salihli Çarşı in Manisa, Çarşamba in Samsun,

Midi Tansaş format; Dinar in Afyon, Güzelçamlı Kuşadası in Aydın, Mirzabey in Balıkesir, Orhangazi in Bursa, Akçakoca in Düzce, Bahçelievler Metroport AVM, Pendik, Çekmeköy Paradise, Misstanbulevleri in İstanbul, Ürkmez Payamlı in İzmir, Marmaris Siteler in Muğla

Maxi Tansaş format; Batıkent in Ankara, Muratpaşa in Antalya, Historia AVM, Çengelköy Maxi City, Beylikdüzü in İstanbul,

Şok format;

- In Adana Hastaneler, Karataş, Beyazevler, Hayalpark, Yeşilyurt,
- In Adıyaman Kahta,
- In Amasya Bahçeleriçi, Kirazlıdere,
- In Ankara Emek Güneyce, Beştepe, 100. Yıl, Gölbaşı, Keçiören Tepebaşı, Polatlı, Seyranbağları, Çankaya Sancak, Keçiören Kamil Ocak, Beşevler,
- In Antalya Güzeloba, Karatay Göksu, Side Yalı, Altinkum, Manavgat Yayla, Belek, Ali Çetinkaya, Alanya Cikkilli, Kumluca Kültürpark, Pınarbaşı, Serik Hürriyet Caddesi, Hurma, Özgürlük Bulvarı,
- In Artvin Arhavi,
- In Aydın Söke Merkez, Kuşadası Güzelçamlı, Didim Çarşı, Kuşadası Kadınlar Denizi, İncirliova,
- In Balıkesir Sarımsaklı Merkez, Akçay, Güre, Havran, Burhaniye Bahçelievler, Edremit, Bandırma Ahmet Taner Kışlalı, Bandırma Atatürk Caddesi, Bandırma Paşabayırı,
- In Bartın Hendekyanı,
- In Bolu Çarşı, Atatürk Bulvarı, Üniversite,
- In Bursa Gemlik, İnegöl, Kültür, İnegöl Adliye, Kükürtlü, Tuna Caddesi, Mustafakemalpaşa, Darmstad,
- In Çanakkale Küçükkuyu,
- In Çorum Alaca, Ulukavak, Mimar Sinan, Toki,
- In Denizli Buldan,
- In Edirne Keşan,
- In Gaziantep Osmangazi, Kavaklı, Nizip, Kolejtepe, İbrahimli,
- In Giresun Merkez, Gazi,
- In Hatay Antakya Reyhanlı, Antakya Kanatlı, İskenderun Dumlupınar, Antakya Emniyet, Antakya Çekmece,
- In Isparta Bahçelievler,
- In İçel Mersin Davultepe, Mersin Yenimahalle, Mersin Taşucu, Anamur Göktaş, Pozcu Mersin,
- In İstanbul 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, Kumburgaz Güzelce, Dikilitaş, Ümraniye Şerif Ali, Üsküdar Fetih, Esenler Atışalanı, Esenler Merkez, Ümraniye İkbal, Akfırat Tuzla, Kozyatağı Halk, Ümraniye İtfaiye, Paşabahçe İskele, Beylikdüzü Merkez, Aksaray, Çekmeköy Hamidiye, Rahmanlar Sahil, Göktürk, Zeytinburnu Merkez, Kartal Kızılay, Alibeyköy Yeşilpınar, Tuzla Şifa, Zeytinburnu Nuripaşa, GOP Yıldıztabya, Eyüp, Seyrantepe Polis Lojmanları, Tarabya Cumhuriyet,
- In İzmir Ürkmez, Özdere Ondörteveler, Çeşme Dalyan, Güzelbahçe, Çeşme Şifne, Torbalı, Bergama Kınık, Bayındır, Tire, Buca İnönü, Menemen Sevgiyolu,

- **In Kahramanmaraş** Sarayaltı, Göksun,
- **In Karaman** İstasyon,
- **In Kastamonu** Çengeller,
- **In Kayseri** Develi, Belsin,
- **In Kırıkkale** Yaylacık, Menderes,
- **In Kilis** Yedi Aralık,
- **In Kocaeli** Gölcük Otosan, İzmit Yarımca Atalar, Kandıra,
- **In Kütahya** Selçuklu, Kulu, Telegrafçı in Konya, Tavşanlı, Merkez, Tavşanlı Çarşı, Gediz,
- **In Malatya** Dernek, İsmetpaşa, Hastaneler, Kanalboyu, Milli Egemenlik,
- **In Manisa** Turgutlu, Akhisar Reşatbey, Toki, Köprübaşı, Gölarmara,
- **In Muğla** Datça, Fethiye Kesikkapı, Fethiye Hisarönü, Milas Ören, Bodrum Gümbet, Bodrum Akçaalan, Fethiye Çalış, Milas Akkent,
- **In Nevşehir** Merkez, Ürgüp,
- **In Niğde** Bor,
- **In Osmaniye** Yeni Vilayet,
- **In Sakarya** Karasu Merkez FRC,
- **In Samsun** Bahçelievler, Atakum, Aşıkpaşa, Gazi, Vezirköprü,
- **In Tekirdağ** Çerkezköy Cadde, Çorlu Emlak Konutları,
- **In Tokat** Erbaa, Turhal, Zile, Karşıyaka,
- **In Trabzon** Of, Yeni Cuma, Sürmene,
- **In Yalova** Banaz in Uşak, Armutlu, Esenköy, 100. Yıl, Sahil,
- **In Yozgat** Sorgun, Lise Caddesi,
- **In Zonguldak** Karadeniz Ereğli, Karadeniz Bağlık, Devrek İnönü, Çaycuma İstasyon

Ramstore format; Dirjinskovo in Kazakhstan

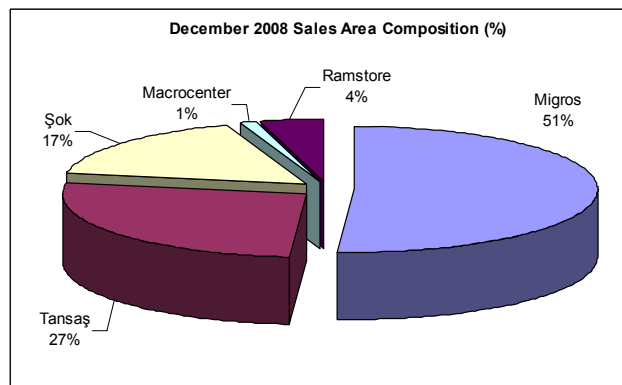
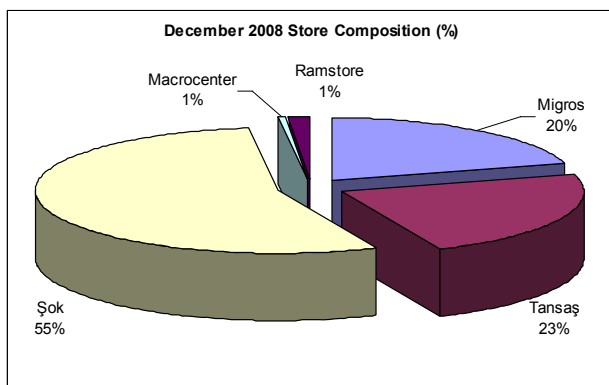
The company's domestic net sales area has increased by 16% compared to 2007 to 668,609 sqm. The store efficiency as a result of the campaigns conducted and the increased customer satisfaction rose, and the annualized domestic sales per sqm increased by 3% to TRY 7,893 compared to the same period of the previous year. In 2008, the number of customers has increased by 10.9% compared to the same period of the previous year and reached a total number of 287.4 million. The sales per customer increased by 1.3% compared to the same period of the previous year and increased to TRY 18.20.

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

Number of Stores	December 2007	December 2008
Turkey		
5M*	3	6
MMM	40	44
MM	91	101
M	89	93
Şok	460	652
Mini	123	133
Midi	76	86
Maxi	48	52
Macrocenter	8	8
Number of Stores - Domestic	938	1,175
Net Sales Area – Domestic (m²)	576,525	668,609
International		
Russia**	-	-
Kazakhstan	9	10
Azerbaijan	3	3
Bulgaria	-	-
Macedonia	2	2
Kyrgyzstan	1	1
Number of Stores - International	15	16
Net Sales Area – International (m²)	27,244	28,956
Total number of stores	953	1,191
Total net sales area (m²)	603,769	697,565

* 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.



SECTION 4: The Other Issues

Information About Merger Process

Migros Board of Directors, to manage the Company effectively and with a view of optimizing Migros' capital structure, has decided to merge Migros and Moonlight subject to the requirements of applicable Turkish laws and regulations. As a result of the merger, the necessary synergy will be created as the Moonlight and Migros will display activity as a single legal entity under the same commercial structure.

The merger shall be realized with the dissolution of Migros without liquidation, by participating in Moonlight, and the "acquisition" of Migros by Moonlight as a whole and without tax, together with all its assets and liabilities that are indicated in its consolidated financial statements dated September 30, 2008, in accordance with the Communiqué of the Capital Markets Board regarding the Principles on Merger Transactions (Serial: I, No: 31), Article 451 of the Turkish Commercial Code that regulates merger by way of acquisition and other relevant articles of the said code, and Articles 19 and 20 of the Corporate Tax Law.

In the merger transaction, the consolidated financial statements of both of the companies, audited by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers) dated September 30, 2008 shall be taken as basis. With regard to the merger, merger reports have been prepared by the expert appointed by İstanbul 5. Commercial Court of First Instance and the Expert Corporation Ernst Young Kurumsal Finansman Danışmanlık A.Ş. (an affiliated firm of Ernst&Young International), under the provisions of the Communiqué of the Capital Markets Board regarding the Principles on Merger Transactions (Serial: I, No: 31).

In the report prepared by the Expert Corporation Ernst Young Kurumsal Finansman Danışmanlık A.Ş. (an affiliated firm of Ernst&Young International) a determination was made in accordance with Cash Flow ("CF"), Market Approach ("MA") and Equity Method ("EM") methods and the below mentioned rates were indicated.

<u>Method</u>	<u>Merger Rate</u>	<u>Transfer Rate</u>
CF	0.97918	1.00
MA	0.97918	1.00
EM	0.99159	0.399

Accordingly, the merger method has been determined as the average of the CF and MA methods that have been calculated in accordance with the consolidated financial statements dated September 30, 2008. These financial statements have been prepared in accordance with the CMB, accounting and reporting principles. The merger rate has been determined as 0.97918 and the share transfer rate has been determined as 1.00.

As a result of this transfer transaction, the capital of Moonlight will be increased by YTL 3,706,660; from YTL 174,323,340 to YTL 178,030,000. 370,666,000 Moonlight Perakendecilik ve Ticaret Anonim Şirketi shares (Migros Ticaret Anonim Şirketi after the merger) having a nominal value of YTL 3,706,660 will be delivered to the shareholders of Migros excluding Moonlight shareholders, without cost and in dematerialized form, as a result of the said transfer.

The merger approval of CMB, has been granted in the CMB's meeting dated March 24, 2009 and the merger announcement text has been published in Radikal and Dünya newspapers on March 28, 2009. Besides, the announcement text has also been presented on ISE's website and on the corporate website of Migros (www.migros.com.tr). The merger will be submitted to the shareholders of the companies for the approval at the General Assembly Meeting to be held late on.

As part of the merger, the corporate title of Moonlight Perakendecilik ve T.A.Ş will be changed as "Migros Ticaret Anonim Şirketi".

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. Ömer Özgür Tort and Erkin Yılmaz serve as the members of the Corporate Governance Committee. At the Board of Directors meeting of 22 October 2008, Stefano Ferraresi and Evren Rifki Ünver have been elected as the members of the Audit Committee to serve until the General Assembly to be convened to discuss the Company's 2008 activities.

In an effort to keep the shareholders informed, the Company renewed its corporate website in 2005 and enriched its substance and content during 2008, 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.