

MiGROS



Migros Ticaret A.Ş.

01.01.2011 – 31.03.2011

Interim Activity Report

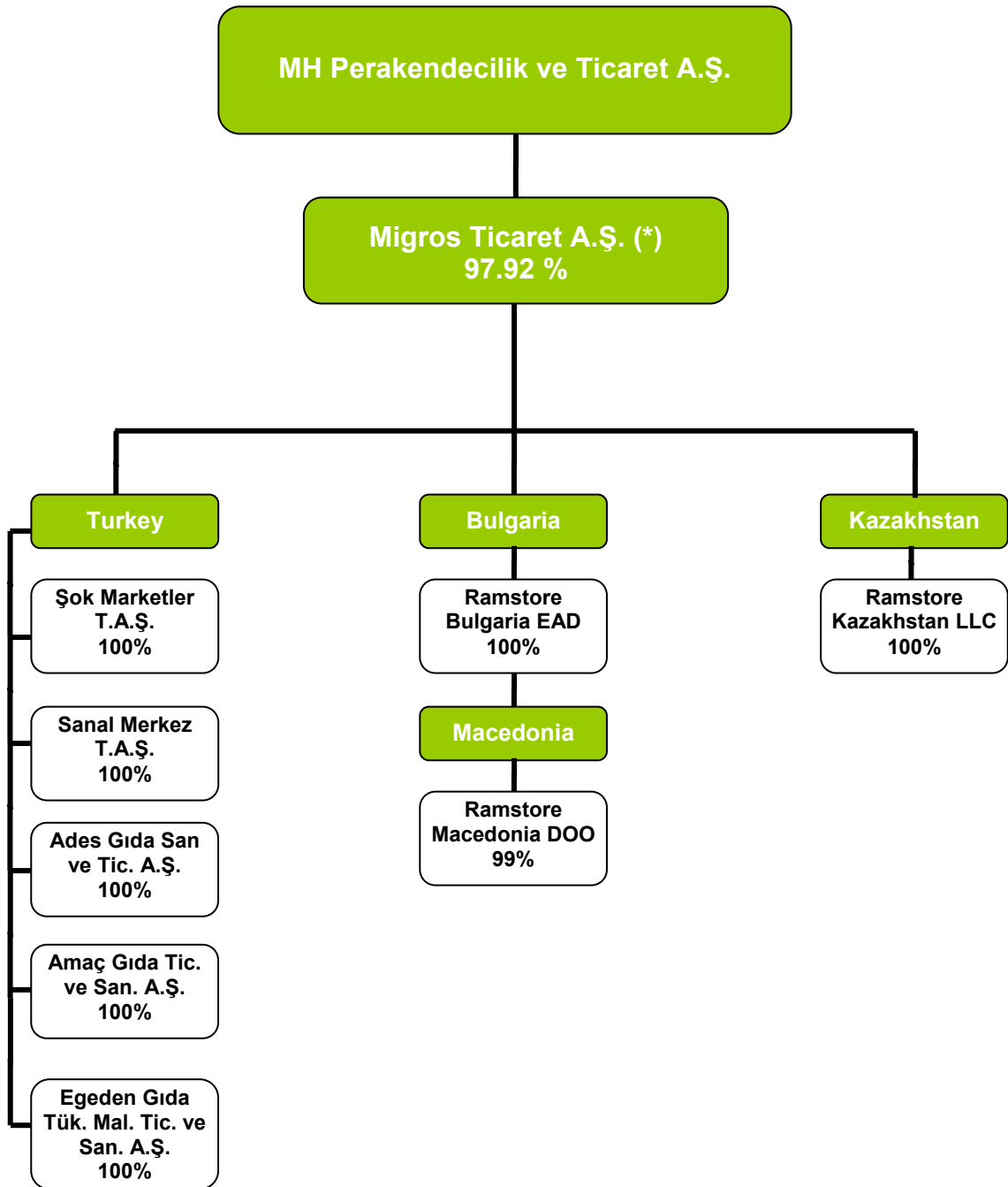
CORPORATE PROFILE

Company	: Migros Ticaret A.Ş.
The Date of Foundation*	: 19.03.2008
Trade Registry Office	: İstanbul Trade Registry Office
Trade Registry Number	: 659896
Tax Administration	: Büyük Mükellefler Vergi Dairesi
Tax ID	: 6220529513
Address	: Turgut Özal Caddesi No:12 34758 Ataşehir - İstanbul
Phone	: 0216 579 30 00
Fax	: 0216 579 35 00
Corporate Web Site	: www.migroskurumsal.com
E-mail	: malimigros@migros.com.tr
Capital	: TL 178,030,000
Stock Exchange	: İstanbul Stock Exchange
Listing Year at the Stock Exchange**	: 2009
Symbol	: MGROS.IS

()*: Migros Türk T.A.Ş. and Moonlight Perakendecilik ve Ticaret A.Ş., established in March 19, 2008, were merged on April 30, 2009. Moonlight changed its name to Migros Ticaret A.Ş. subsequent to the merger.

*(**)*: It is the first listing date of Migros Ticaret A.Ş. to ISE following the merger with Migros Türk T.A.Ş.

Migros Ticaret A.Ş. Ownership Structure and Its Subsidiaries as of 31 March 2011



(*): As disclosed by the parent company of Migros, MH, dated 06.04.2011 and 08.04.2011, MH decided to sell Migros shares with the nominal value of TL 31.000.000 and the share transfer/settlement is executed on 18.04.2011. Consequently the share of parent company declined to 80.51%

INTRODUCTION: AN ECONOMIC REVIEW AND RETAIL MARKET

GDP growth, which slowed down in the 3rd quarter of 2010, accelerated in the last quarter to 9.2%. In 2010, the Turkish economy performed well beyond the expectations and grew by 8.9%. The confidence index has been growing since December, 2009. By March 2011 the index rose to 93.4 which is an increase of 18.5% since December 2009. The food and retail trade, an important indicator of domestic consumption, grew by 13.3% in real terms, recovering from 10.4% drop in 2009. Food, beverage and tobacco consumption is rising modestly since the beginning of 2010 and increased by 5.5% in real terms on the last quarter of 2010. Total growth in 2010 is 2%.

Because of the base effect, the consumer price index (CPI) has been on a downward trend since the beginning of 2011. In April 2011 CPI increased by 4.26% compared to the same period last year.

According to Retail Index results of Trade Council of Shopping Centers and Retailers (TCSCR), annual increase in sales turnover of organized retail is 5% in March 2011. In food retail market, annual increase in sales turnover is 2% and in non-food retail market, sales turnover rose by 10%. The total sales area increased by 12% on an annual basis in food retail, which is lower than the 18% increase experienced by non-food retail.

SECTION 1: CORPORATE INFORMATION

Board of Directors

According to the Minutes of Ordinary General Assembly Meeting dated 20 May 2010, Board Members and Auditors are shown below.

Board of Directors

Fevzi Bülent Özaydınlı	Chairman
Antonio Belloni	Member
Nicholas Stathopoulos	Member
Stefano Ferraresi	Member
Cedric Brice Dubourdieu	Member
Evren Rıfki Ünver	Member
Ömer Özgür Tort	Member / General Manager
Pedro Miguel Stemper	Member
Giovanni Maria Cavallini	Member
Sharifa Salim Mohamed Al Busaidy	Member
Carlo Francesco Frau	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 and Nicholas Stathopoulos, Ömer Özgür Tort, Erkin Yılmaz and Affan Nomak have been elected as the members of Corporate Governance Committee at the Board of Directors Meeting of our company dated 14 June 2010.

Authorities and Duties of the Board of Directors

According to the articles 16th and 17th in the Articles of Association of the Company, the Board of Directors have the authority to take any resolutions with the exception of matters that needs the resolution of the General Assembly in accordance with the laws and Company's Articles of Association.

Authorities and Duties of the Auditors

According to the articles 22nd and 23rd in the Articles of Association of the Company, the duties, liabilities and responsibilities of auditors as well as matters pertaining thereto are governed by provisions of the Turkish Commercial Code, provided that clauses of Article 275 of the same Act are binding. A salary or annual remuneration assessed by the General Assembly is paid to each auditor.

The shareholding structure of Migros Ticaret A.Ş.

The names of shareholders, shareholding amounts and percentages of the shareholders holding more than 10% of the capital of TL 178,030,000 are as follows:

As of 31 March 2011;

Migros Ticaret A.Ş		
Shareholder	Share (%)	Amount (TL)
MH Perakendecilik Ticaret A.Ş	97.92	174,323,336
Other	2.08	3,706,664
Total	100.00	178,030,000

Note: As disclosed by the parent company of Migros, MH, dated 06.04.2011 and 08.04.2011, MH decided to sell Migros shares with the nominal value of TL 31.000.000 and the share transfer/settlement is executed on 18.04.2011. Updated capital of Migros is as follows;

Migros Ticaret A.Ş		
Shareholder	Share (%)	Amount (TL)
MH Perakendecilik Ticaret A.Ş	80.51	143,323,336
Other	19.49	34,706,664
Total	100.00	178,030,000

Information About the Most Recent Capital Increase

No increase was made in the capital during January – March 2011.

Information on General Assembly Meeting

General Assembly Meeting

At the Board of Director's Meeting of our company held on 04 May 2011;

The Board of Directors of our Company convened and resolved that the Ordinary General Assembly Meeting regarding the 2010 operations to be held on May 26, 2011 Thursday, at 10:00 a.m. at Migros Ticaret A.Ş.'s Head Office, Turgut Özal Caddesi No: 12 34758 Ataşehir/ İstanbul with the below agenda.

MİGROS TİCARET A.Ş. 26 MAY 2011 DATED GENERAL ASSEMBLY MEETING AGENDA

- 1 - Roll call and election of the Assembly Presidium,
- 2 - Informing the General Assembly regarding the approval of the merger by the Capital Markets Board and the merger report which has been prepared by the expert appointed by Kadıköy 2. Commercial Court of First Instance
- 3 - Resolution regarding the merger of our Company with Ades, Amaç and Egeden by way of acquisition of all the assets and liabilities of the balance sheet of Ades, Amaç and Egeden dated September 30, 2010, within the framework of article 451 and other relevant articles of the Turkish Commercial Code, Articles 19 and 20 of the Corporate Tax Law and the article 10/A titled "Exceptional Situations in the Merger" of the Communiqué of the Capital Markets Board regarding the Principles on the Merger Transactions, Serial: I, No: 31; and the approval of the consolidated financial statements dated September 30, 2010 which are the basis of the merger transaction, the approval of the merger agreement and the other merger documents
- 4 - Presentation and discussion of the Board of Directors Report on 2010 activities and accounts, Statutory Auditors' Report and the summary of the Independent Auditors' Report prepared by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., approval, amendment or rejection of the Board's proposed Balance Sheet and Income Statement for 2010,
- 5 - Individual acquittal of the members of the Board of Directors and Statutory Auditors of their fiduciary responsibilities for the Company's operations during 2010,
- 6 - Approval, amendment or rejection of the Board of Directors proposal regarding the distribution and timing of the 2010 dividend,
- 7 - Presenting the Company's dividend distribution policies for 2011 and the following years pursuant to Corporate Governance Principles,
- 8 - Presenting the Company's disclosure policies in accordance with the Corporate Governance Principles,
- 9 - Determination of the monthly gross remuneration of the Chairman and the Members of the Board of Directors and the Statutory Auditors,
- 10 - Informing the General Assembly of the donations made by the Company for charitable purposes to tax-exempt foundations and associations in 2010,
- 11 - Approval of the Independent Audit Company, recommended by the Audit Committee and selected by the Board of Directors pursuant to the regulations of the Capital Markets Board of Turkey pertaining to Independent Auditing in Capital Markets,
- 12 - Informing our shareholders about the details of collaterals, mortgages and pledges given as per Capital Markets Board Resolution no 28/780 dated 09.09.2009,
- 13 - Giving consent to the members of the Board of Directors to carry out the business transactions falling under the Company's scope, personally or on behalf of others, and to become shareholders in companies pursuing businesses of such nature and to carry out other transactions in accordance with Articles 334 – 335 of the Turkish Commercial Code,
- 14 - To authorize the Presidium to sign the minutes of the General Meeting on behalf of the shareholders,
- 15 - Closing

Meeting Minutes and List of Attendees pertaining to Ordinary General Meeting of 2010 have been disclosed in our corporate web site (www.migroskurumsal.com) and prior annual reports of our company.

Amendments in the Articles of Association During the Period

No change was made in the articles of association during January – March 2011.

The Dividend Policy of Migros

As it will be submitted to shareholders at the General Assembly Meeting on 26 May 2011;

“In line with the Company's long-term strategies, investments and financing plans and profitability, the amount of dividend which was determined by the Board of Directors and submitted for the approval of the General Assembly, 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

At the Board of Director's Meeting of our company held on 10 May 2011;

It was resolved to propose no dividend distribution to the Ordinary General Assembly for 2010 fiscal year in accordance with the decision of Capital Markets Board (CMB) dated 27.01.2010 numbered and 02/51 related with the distribution of dividend for listed companies, in the Communiqué of CMB Serial: IV, No: 27, provisions presented in our articles of association and dividend distribution policies that were disclosed to public by our company. In the consolidated financial statements of 2010, Migros recorded TL 42,674,000 net profit. Net profit will be allocated to the extraordinary reserves. As legal limit is reached, there is no need to set aside primary legal reserve.

Information About Merger

In terms of the second and third article of General ;Assembly Meeting agenda, the related announcement text regarding the merger of Migros Ticaret A.Ş. (“Migros”) with Ades Gıda Sanayi ve Ticaret A.Ş. (“Ades”), Amaç Gıda Ticaret ve Sanayi A.Ş. (“Amaç”) and Egeden Gıda Tüketim Malları Ticaret ve Sanayi A.Ş. (“Egeden”) by way of acquisition, were published on ISE web site (www.kap.gov.tr), as well as corporate web site of Migros (www.migroskurumsal.com) on April 21, 2011 and Turkish Trade Registration Gazette, Dünya Gazette and Sakarya Yenigün Gazette dated April 22,2011.

SECTION 2: FINANCIAL INFORMATION

Sales

(thousand TL)

	1 January - 31 March 2011	1 January - 31 March 2010
Domestic sales	1,530,918	1,399,154
Foreign sales	80,167	60,629
	1,611,085	1,459,783
Other sales	1,799	583
	1,612,884	1,460,366
Less: Discounts and returns	(37,565)	(26,280)
Sales revenue – net	1,575,319	1,434,086

The Financial Ratios

The financial resources and the risk management policies

Loans

As from March 31, 2011 the outstanding loans of the Company stands at TL 2,576,796 thousand, out of which TL 99,048 thousand is due within the next 12 months.

On August 4, 2009, Migros Ticaret A.Ş. borrowed a total amount of EUR 1,170,235,000 from the consortium of Akbank, İş Bankası, Garanti Bankası and Vakıfbank, to be paid back by May 2018.

Risk management policies

The company's exposure to the fluctuations in foreign exchange rates and interest rates is mainly due to the foreign exchange denominated loans in its Balance Sheet. Foreign exchange risk from loans and fluctuations in libor rates are continuously monitored and limited by hedging derivative instruments.

Risk management is implemented by each subsidiary within the framework of policies decided by the Board of Directors.

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

In the footnote 'Events After Balance Sheet Date' of the Consolidated Financial Statements, necessary explanations are provided on the matter.

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

N/A.

Financial Statements

	MİGROS TİCARET A.Ş.			
IFRS Consolidated Income Statement Summary (Thousand TL)	01 Jan. – 31 March 2011	%	01 Jan. - 31 March 2010	%
Net Sales	1,575,319	100.0	1,434,086	100.0
Cost of sales (-)	-1,185,506	-75.3	-1,076,779	-75.1
Gross Profit	389,813	24.7	357,307	24.9
Operating Expenses	-353,709	-22.5	-306,577	-21.4
Other Income / (Gains)	-7,049	-0.4	-19	0.0
Operating Profit	29,055	1.8	50,711	3.5
Financial Income / (Gains)	-149,685	-9.5	22,700	1.6
Income Before Tax	-120,630	-7.7	73,411	5.1
Tax Income / (Expenses)	-13,740	-0.9	-14,604	-1.0
Income For The Period	-134,370	-8.5	58,807	4.1
<i>Income For The Period-Non-controlling Interest</i>	<i>17</i>	<i>0.0</i>	<i>2</i>	<i>0.0</i>
<i>Income For The Period-Parent Company Shares</i>	<i>-134,387</i>	<i>-8.5</i>	<i>58,805</i>	<i>4.1</i>

Migros Ticaret A.Ş. IFRS Consolidated Balance Sheet Summary (Thousand TL)	March 11	%	Dec. 10	%
Current Assets	1,679,583	30.6	1,745,344	31.3
Non-current Assets	3,804,291	69.4	3,822,001	68.7
Total Assets	5,483,874	100.0	5,567,345	100.0
Current Liabilities	1,619,680	29.5	1,717,981	30.9
Non-current Liabilities	2,648,892	48.3	2,502,211	44.9
Total Liabilities	4,268,572	77.8	4,220,192	75.8
Parent Company Shareholders' Equity	1,214,747	22.2	1,346,647	24.2
Minority Interest	555	0.0	506	0.0
Shareholders' Equity	1,215,302	22.2	1,347,153	24.2
Total Liabilities and Shareholders' Equity	5,483,874	100.0	5,567,345	100.0

Financial Structure and Profitability Ratios

FINANCIAL STRUCTURE AND LIQUIDITY RATIOS	31 March 11	31 Dec. 10
Financial Leverage (Total Liabilities / Total Liabilities and Equity)	0.78	0.76
Total Liabilities / Shareholders' Equity	3.51	3.13
Financial Liabilities / Total Assets	0.47	0.43
Net Cash Position (Thousand TL)	-1,743,527	-1,520,372
Current Ratio	1.04	1.02
Liquidity Ratio (Acid-Test)	0.60	0.58
Cash Conversion Cycle (in days)*	-47.8	-46.5

*It was calculated from average balances.

PROFITABILITY RATIOS (%)	31 March 11	31 March 10
Gross Profit Margin	24.7	24.9
Operating Profit Margin	1.8	3.5
Income Before Tax Margin	-7.7	5.1
Net Income Margin	-8.5	4.1

SHARE PERFORMANCE RATIOS	31 March 11	31 Dec. 10
Market Cap (Thousand TL)	6,177,641	5,234,082
Share Price (TL)	34.70	29.40
Earnings Per Share (EPS) (Kr)	-0.75	0.24

SECTION 3: OPERATIONAL ACTIVITIES

Operating in the food and consumer goods sector. Migros Ticaret 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 subsidiaries.

The Company commanded a store network of 1,923 stores in total at the end of March 31, 2011, of these 220 M, 170 MM, 55 MMM, 1,259 Şok, 12 5M, 88 Mini, 56 Midi, 25 Maxi and 11 Macrocenter stores in seven geographical regions throughout Turkey, as well as 22 Ramstores in Kazakhstan and 5 Ramstores in Macedonia operated through its associates abroad.

During January - March 2011, Migros Ticaret A.Ş. opened 36 new stores.:

3 Migros stores			
<u>M (1 store)</u>	<u>MM (1 store)</u>	<u>5M (1 store)</u>	
Uşak (1)	İstanbul (1)	İzmir (1)	

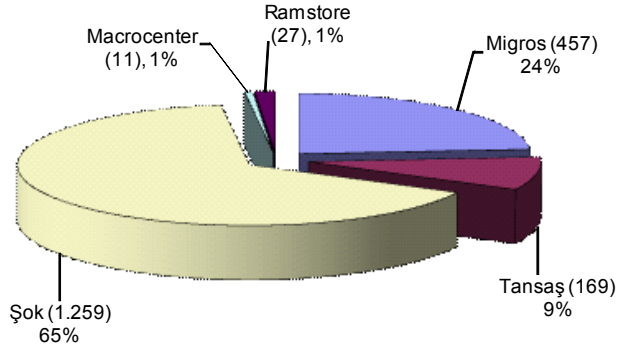
1Tansaş store		
<u>Mini (1 store)</u>		
İzmir (1)		

32 Şok stores		
Adana (1)	Denizli (1)	Manisa (2)
Adıyaman (1)	Giresun (2)	Ordu (1)
Antalya (3)	Hatay(1)	Sakarya (1)
Bilecik (1)	İstanbul (6)	Şanlıurfa (1)
Burdur (1)	İzmir (6)	Yozgat (1)
Bursa (2)	Malatya (1)	

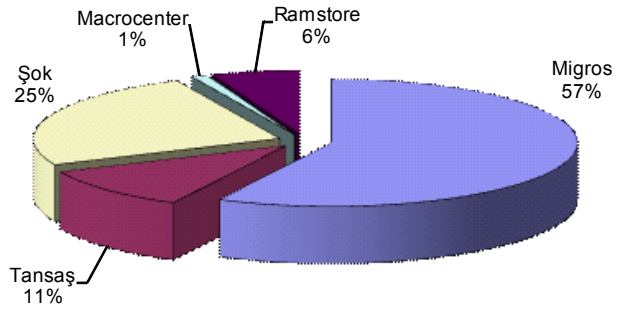
The company's domestic net sales area increased by 13.1% in March 2011 to 915,034 sqm on a yearly basis. In January - March 2011, the number of customers increased by 2.7% compared to the same period of last year reaching a total of 88 million.

The sales through Migros Club Card and Money Club Card, which continues to be the largest royalty card program in Turkish retail market, reached 84% of total Migros and 5M sales in January – March 2011. Usage level of Money Club Card in the remaining store formats has been increasing significantly after the launch of the Money Club Card in March 2010 covering all formats.

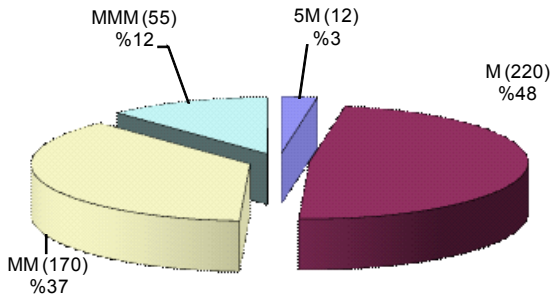
March 2011 Store Composition



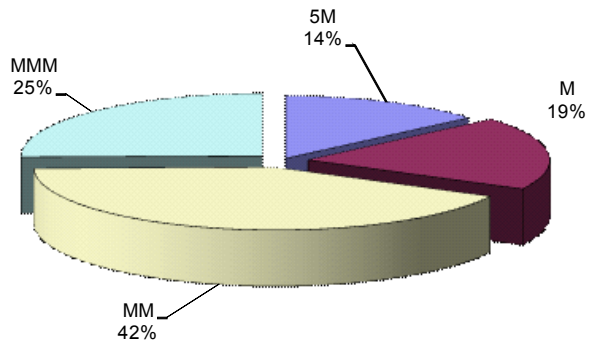
March 2011 Sales Area Composition (%)



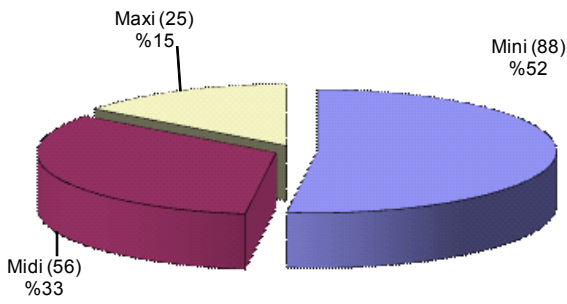
Migros Store Composition - March 2011



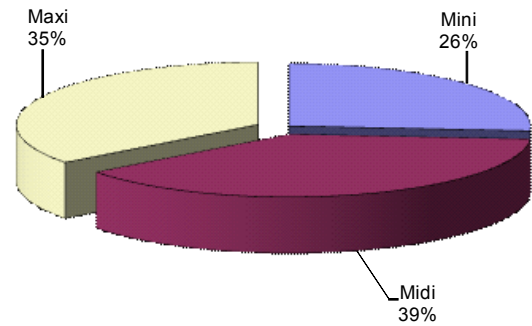
Migros Area Composition (%) - March 2011



Tansaş Store Composition - March 2011



Tansaş Sales Area Composition(%) - March 2011



SECTION 4: CORPORATE GOVERNANCE

Statement of Compliance with Corporate Governance Principle

Migros Ticaret A.Ş. adheres to “Corporate Governance Principles”, which were announced by the Capital Markets Board of Turkey (CMB) in 2003. The application of the main principles of Corporate Governance, which are fairness, transparency, responsibility and accountability are continuously reviewed, deficiencies are fixed on the way to become an exemplary role model.

The Company enriched the contents of its corporate website in order to keep its shareholders better informed about the Company.

Migros Corporate Governance Principles Compliance Report can be accessed at the corporate website (www.migroskurumsal.com) in the Investor Relations section, in addition to the annual report.

Investor Relations

Investor Relations Unit formed under the Finance Department in 2003 not only manages the relations with domestic and foreign investors but also the processes related to General Assembly, capital increases and dividend distribution. Within the same context, all enquiries and transactions of the shareholders regarding capital increases and dividend payments are handled here.

In addition, the Investor Relations communicates directly with various institutions including the CMB, İstanbul Stock Exchange (ISE), Central Registry Agency (CRA) and Takasbank (ISE Settlement and Custody Bank Inc) and represents the Company. Keeping records of the Board of Directors meetings and material disclosures to the ISE in compliance with the CMB Communiqué are among the department’s other activities. Migros' Investor Relations Department monitors relevant legislation as well as CMB communiqués and informs the senior management about the subjects and issues requiring compliance.

The department also responds to the information requests about the Company. By making use of all available communication opportunities (one-on-one meetings, conference participations, meetings, corporate website, phone, email, investor bulletins, investor presentations, etc.), the department keeps Migros shareholders and brokerage analysts informed. Investor Relations is responsible for the preparation of the annual report as well as the coordination of Corporate Governance operations and activities.

All shareholders requesting information about Migros 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.