MİGROS TİCARET ANONİM ŞİRKETİ

**CONVENIENCE TRANSLATION
INTO ENGLISH OF
CONDENSED INTERIM
CONSOLIDATED FINANCIAL
STATEMENTS
FOR THE INTERIM PERIOD
1 JANUARY – 30 JUNE 2012**

(ORIGINALLY ISSUED IN TURKISH)

CONTENTS **PAGE**

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

MİGROS TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED FINANCIAL POSITION AT 30 JUNE 2012

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Notes	Reviewed 30 June 2012	Audited 31 December 2011
ASSETS			
Current Assets			
Cash and cash equivalents		959.808	1.010.255
Trade receivables		50.784	67.174
- Other trade receivables		50.765	67.164
- Due from related parties	20	19	10
Other receivables		2.759	1.037
Inventories	8	734.862	679.000
Other current assets		55.140	40.104
Total current assets		**1.803.353**	**1.797.570**
Non-current assets			
Other receivables		1.208	1.165
Financial investments		1.695	1.695
Derivative financial instruments	4	118	43
Investment property	5	47.071	51.365
Property, plant and equipment	6	1.131.018	1.118.881
Intangible assets	7	248.023	250.270
Goodwill	9	2.251.427	2.251.427
Other non-current assets		7.401	8.548
Total non-current assets		**3.687.961**	**3.683.394**
Total assets		**5.491.314**	**5.480.964**

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

MİGROS TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED FINANCIAL POSITION AT 30 JUNE 2012

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Notes	Reviewed 30 June 2012	Audited 31 December 2011
LIABILITIES			
Current liabilities			
Financial liabilities	10	10.558	13.796
Derivative financial instruments	4	22.177	22.591
Trade payables		1.448.565	1.387.042
- Due to related parties	20	1.114	1.365
- Other payables		1.447.451	1.385.677
Other payables		2.335	684
Taxes on income		1.440	2.521
Provisions	11	62.309	53.505
Other current liabilities		96.936	98.555
Total current liabilities		**1.644.320**	**1.578.694**
Non-current liabilities			
Financial liabilities	10	2.395.136	2.573.754
Derivative financial instruments	4	8.951	13.345
Other liabilities		3.015	3.602
Provision for employee termination benefits	12	11.790	10.516
Deferred income tax liabilities	18	105.542	105.346
Total non-current liabilities		**2.524.434**	**2.706.563**
Total liabilities		**4.168.754**	**4.285.257**
EQUITY			
Attributable to equity holders of the parent		**1.322.051**	**1.195.231**
Share capital	19	178.030	178.030
Share premium		678.233	678.233
Other capital reserves		(365)	(365)
Restricted reserves		385.856	385.856
Cumulative translation differences		11.251	18.869
Additional contribution to shareholders' equity related to merger	24	27.312	27.312
Retained earnings		(92.704)	70.541
Net income for the period		134.438	(163.245)
Non-controlling interest		**509**	**476**
Total equity		**1.322.560**	**1.195.707**
Total liabilities and equity		**5.491.314**	**5.480.964**

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

CONDENSED CONSOLIDATED STATEMENT OF INCOME FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2012

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Notes	Reviewed 1 January - 30 June 2012	Not Reviewed 1 April - 30 June 2012	Reviewed 1 January - 30 June 2011	Not Reviewed 1 April - 30 June 2011
CONTINUING OPERATIONS					
Revenue (net)	3,13	3.007.220	1.552.452	2.639.868	1.368.876
Cost of sales (-)	3,13	(2.208.201)	(1.138.673)	(1.946.118)	(1.011.864)
GROSS PROFIT	**3,13**	**799.019**	**413.779**	**693.750**	**357.012**
Marketing, selling and distribution expenses (-)	14	(568.360)	(298.910)	(483.923)	(251.259)
General administrative expenses (-)	14	(111.957)	(55.707)	(101.568)	(50.732)
Other operating income	15	4.998	1.051	5.771	3.337
Other operating expense (-)	15	(20.194)	(9.488)	(16.798)	(12.309)
OPERATING PROFIT	**3**	**103.506**	**50.725**	**97.232**	**46.049**
Financial income	16	220.310	121.825	125.581	68.397
Financial expense (-)	17	(179.024)	(93.727)	(478.065)	(273.968)
INCOME / (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**3**	**144.792**	**78.823**	**(255.252)**	**(159.522)**
Income tax expense	**18**	**(10.315)**	**(5.895)**	**(27.050)**	**(15.784)**
- Income tax expense	18	(10.691)	(2.299)	(20.973)	(10.877)
- Deferred tax income / (expense)	18	376	(3.596)	(6.077)	(4.907)
NET INCOME / (LOSS) FROM CONTINUING OPERATIONS		**134.477**	**72.928**	**(282.302)**	**(175.306)**
DISCONTINUED OPERATIONS					
Loss after tax from discontinued operations	26	-	-	(44.681)	(23.296)
NET INCOME / (LOSS)		**134.477**	**72.928**	**(326.983)**	**(198.602)**
Net income / (loss) attributable to:					
Equity holders of the parent		134.438	72.909	(327.016)	(198.618)
Non-controlling interest		39	19	33	16
		134.477	**72.928**	**(326.983)**	**(198.602)**
Earning / (loss) per share (Kr)	21	0,76	0,41	(1,84)	(1,12)

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

MİGROS TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2012

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Notes	Reviewed 1 January - 30 June 2012	Not Reviewed 1 April - 30 June 2012	Reviewed 1 January - 30 June 2011	Not Reviewed 1 April - 30 June 2011
Net income / (loss) for the period		**134.477**	**72.928**	**(326.983)**	**(198.602)**
Other comprehensive (expense) / income :					
Currency translation differences		(7.624)	(1.207)	8.719	5.162
Cumulative translation differences reclassified due to foreign operations disposals		-	-	(5.989)	-
Other comprehensive (loss) / income for the period		**(7.624)**	**(1.207)**	**2.730**	**5.162**
Total comprehensive income / (loss) for the period		**126.853**	**71.721**	**(324.253)**	**(193.440)**
Total comprehensive income / (loss) attributable to:					
Equity holders of the parent		126.820	71.692	(324.348)	(193.486)
Non-controlling interest		33	29	95	46
		126.853	**71.721**	**(324.253)**	**(193.440)**

MİGROS TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2012

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Notes	Share capital	Share premium	Other capital reserves	Restricted reserves	Cumulative translation differences	Additional contribution to equity related to merger	Retained earnings	Net (loss) / income	Non-controlling interest	Total equity
Balances at 1 January 2011		**178.030**	**678.233**	**(365)**	**385.856**	**7.040**	**27.312**	**27.960**	**42.581**	**506**	**1.347.153**
Transfers		-	-	-	-	-	-	42.581	(42.581)	-	-
Total comprehensive loss		-	-	-	-	2.668	-	-	(327.016)	95	(324.253)
Balances at 30 June 2011		**178.030**	**678.233**	**(365)**	**385.856**	**9.708**	**27.312**	**70.541**	**(327.016)**	**601**	**1.022.900**
Balances at 1 January 2012		**178.030**	**678.233**	**(365)**	**385.856**	**18.869**	**27.312**	**70.541**	**(163.245)**	**476**	**1.195.707**
Transfers		-	-	-	-	-	-	(163.245)	163.245	-	-
Total comprehensive income		-	-	-	-	(7.618)	-	-	134.438	33	126.853
Balances at 30 June 2012		**178.030**	**678.233**	**(365)**	**385.856**	**11.251**	**27.312**	**(92.704)**	**134.438**	**509**	**1.322.560**

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

MİGROS TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2012

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Notes	Reviewed 1 January - 30 June 2012	Reviewed 1 January - 30 June 2011
Operating activities:			
Net income / (loss) for the period from continuing operations		134.438	(282.335)
Net loss for the period from discontinued operations	26	-	(44.681)
Adjustments to reconcile net income to net cash provided / used by operating activities:			
Net income attributable to non-controlling interest		39	33
Depreciation and amortisation	5,6,7	62.757	59.801
Provision for employment termination benefits	12	6.849	7.505
Provision for unused vacation	11	9.820	10.312
Provision for litigation	11	5.016	4.610
Doubtful receivable provision	15	480	528
Income tax expense	18	10.315	27.050
Tax provision concerning prior periods		-	1.930
Interest income	16	(33.583)	(19.823)
Interest expense	17	120.636	106.141
Gain / (loss) on sale of property, plant and equipment - net	15	(859)	(665)
Impairment of property, plant and equipment	6	3.497	4.965
Gain from sale of subsidiary	26	-	(993)
Fair value gain / (loss) of derivative instruments	16,17	15.827	(31.732)
Unrecognised foreign exchange differences (gain) / loss - net		(178.640)	347.569
Cash flows from operating activities before changes in operating assets and liabilities		**156.592**	**190.215**
Changes in operating assets and liabilities:			
Trade receivables		15.910	(2.045)
Inventories		(55.862)	(4.544)
Other current assets and other receivables		(16.123)	14.339
Other non-current assets		1.104	4.547
Current trade payables		61.523	234
Other current payables and liabilities		25	41.567
Non-current trade payables		(585)	129
Employment termination benefits paid	12	(5.575)	(6.681)
Unused vacation paid	11	(1.951)	(6.223)
Income taxes paid		(12.402)	(7.277)
Tax paid concerning prior periods		-	(13.094)
Compensations paid	11	(4.081)	(1.842)
Accrued interest		(827)	(1.745)
Net cash provided from operating activities of discontinued operations		-	3.381
Net cash provided from investing activities		**137.748**	**210.961**

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2012

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Notes	Reviewed 1 January - 30 June 2012	Reviewed 1 January - 30 June 2011
Investing activities:			
Purchase of investment property	5	(50)	(160)
Purchase of property, plant and equipment		(74.713)	(63.840)
Purchase of intangible assets	7	(4.859)	(3.353)
Proceeds from sale of property, plant and equipment		1.881	1.045
Cash received due to sale of subsidiary		-	14.143
Interest received		34.410	21.568
Net cash used in investing activities of discontinued operations		-	(2.524)
Net cash used in investing activities		**(43.331)**	**(33.121)**
Financing activities:			
Bank borrowings paid		(340)	(14.395)
Cash paid with respect to derivative instruments		(20.710)	(14.929)
Interest paid		(123.513)	(103.891)
Net cash used in financing activities of discontinued operations		-	(8.085)
Net cash used in financing activities		**(144.563)**	**(141.300)**
Cumulative translation adjustment		(301)	2.291
Net (decrease) / increase in cash and cash equivalents		(50.447)	38.831
Cash and cash equivalents at the beginning of the period		**1.010.255**	**884.180**
Cash and cash equivalents at the end of the period		**959.808**	**923.011**

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Migros Ticaret A.Ş., previously named as Moonlight Perakendecilik ve Ticaret Anonim Şirketi ("Moonlight"), (collectively referred to as "Migros Ticaret" or the "Company"), was established on 19 March 2008 and is registered in Istanbul, Turkey under the Turkish Commercial Code.

Moonlight acquired 50,83% of Migros Türk Ticaret A.Ş. ("Migros Türk") shares on 30 May 2008 from Koç Holding A.Ş. ("Koç Holding") at a price of TL 1.922.440 subsequent to the approval of the Competition Board. As of 31 December 2008, Moonlight had increased its shares in Migros to 97,92% as a result of purchases made in Istanbul Stock Exchange on various dates.

In accordance with the decision taken during Migros Türk's general assembly held on 28 April 2009, Migros Türk decided to merge with Moonlight through a takeover of its assets and liabilities as a whole within the framework of Capital Markets Board ("CMB") regulations, Turkish Commercial Code, Law No. 451, and other related articles and Corporate Tax Law No. 19-20. As a result of the mentioned merger, Moonlight's capital was decided to be increased from TL 174.323.340 (Amount expresses in Turkish Lira) to TL 178.030.000 (Amount expresses in Turkish Lira) and in accordance with the merger agreement approved during the General Assembly, merger ratio of 0,97918 and share exchange ratio of 1,00 was determined. As a result of the merger, registered shares amounting to TL 3.706.660 (Amount expresses in Turkish Lira) issued by Moonlight were distributed to the minority shareholders of Migros Türk in exchange for their Migros Türk shares.

The General Assembly held on 28 April 2009 regarding the merger was registered on 30 April 2009 and the merger had been legally recognised on that date. As a result of the merger, Moonlight's trade name has been changed to Migros Ticaret A.Ş. (Note 24).

The Company will be mentioned as the "Group" together with its subsidiaries. The parent company of the Group is MH Perakendecilik ve Ticaret A.Ş. ("MH Perakendecilik"). Its shareholding in Migros Ticaret A.Ş is 80,51% (31 December 2011: 80,51%). The Group sold its subsidiary Ramstore Azerbaijan of which it had 100% of shares, on 17 Februrary 2011 and sold its subsidiary Şok Marketler Ticaret A.Ş. of which it had 99,6% of shares, to a third party on the date 25 August 2011.

The Company is mainly engaged in the retail sales of food and beverages, consumer and durable goods through its Migros, 5M, Tansaş and Macrocenter banner stores in Turkey, shopping centers, Ramstores banner stores abroad and internet. The Company also rents floor space in the shopping malls to other trading companies. As of 30 June 2012, the Group operates 839 stores (31 December 2011: 745) with a net retail space of 839.775 (31 December 2011: 797.761) square meters. Retail is the main business of the Group and constitutes 96,9% of gross sales (June 2011: 96,3%).

The address of the registered office is as follows:

Migros Ticaret A.Ş.
Turgut Özal Caddesi No:12
34758 Ataşehir İstanbul

These consolidated financial statements have been approved for issue by the Board of Directors "(BOD)" on 28 August 2012 and signed by Ö.Özgür Tort, General Manager, and Erkin Yılmaz, Assistant General Manager, on behalf of the BOD. The owners of the Company have the power to amend the consolidated financial statements after the issue in the General Assembly meeting of the Company.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

Subsidiaries:

The Company has the following subsidiaries (the "Subsidiaries"). The nature of the business of the Subsidiaries and for the purpose of the condensed consolidated interim financial statements, their respective geographical segments are as follows:

Subsidiary	Country of incorporation	Geographical segment	Nature of business	June 2012 %	December 2011 %
Ramstore Bulgaria E.A.D. ("Ramstore Bulgaria")	Bulgaria	Bulgaria	Dormant	100,0	100,0
Ramstore Kazakhstan LLC ("Ramstore Kazakhstan")	Kazakhstan	Kazakhstan	Retailing	100,0	100,0
Ramstore Macedonia DOO ("Ramstore Macedonia")	Macedonia	Bulgaria	Retailing	99,0	99,0
Sanal Merkez Ticaret A.Ş. ("Sanal Merkez") (*)	Turkey	Turkey	Trade	100,0	100,0

(*) Not included in the scope of consolidation on the grounds of materiality.

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.1 Financial Reporting Standards

The condensed consolidated interim financial statements of Migros have been prepared in accordance with the accounting and reporting principles issued by the Capital Markets Board ("CMB"), namely "CMB Financial Reporting Standards". CMB regulated the principles and procedures of preparation, presentation and announcement of financial statements prepared by the entities with the Communiqué No: XI-29, "Principles of Financial Reporting in Capital Markets" ("the Communiqué"). According to the Communiqué, entities shall prepare their financial statements in accordance with International Financial Reporting Standards ("IAS/IFRS") endorsed by the European Union. Until the differences of the IAS/IFRS as endorsed by the European Union from the ones issued by the International Accounting Standards Board ("IASB") are announced by Turkish Accounting Standards Board ("TASB"), IAS/IFRS issued by the IASB shall be applied. Accordingly, Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") issued by the TASB which are in line with the aforementioned standards shall be considered.

With the decision taken on 17 March 2005, the CMB announced that, effective from 1 January 2005, for companies operating in Turkey and preparing their financial statements in accordance with CMB Financial Reporting Standards, the application of inflation accounting is no longer required Accordingly, IAS 29, "Financial Reporting in Hyperinflationary Economies", issued by the IASB, has not been applied in the financial statements for the accounting periods starting 1 January 2005.

In accordance with the Communiqué No: XI-29, the entities are allowed to prepare a complete or condensed set of interim financial statements in accordance with IAS 34, "Interim Financial Reporting". In this respect, the Group has preferred to prepare condensed consolidated interim financial statements in the interim periods and prepared the mentioned condensed consolidated interim financial statements in compliance with CMB Financial Reporting Standards.

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Financial Reporting Standards (continued)

As the differences of the IAS/IFRS endorsed by the European Union from the ones issued by the IASB have not been announced by TASB as of the date of preparation of these condensed consolidated interim financial statements, the condensed consolidated interim financial statements have been prepared within the framework of Communiqué XI, No: 29 and related promulgations to this Communiqué as issued by the CMB in accordance with the accounting and reporting principles accepted by the CMB ("CMB Financial Reporting Standards") which are based on IAS/IFRS. The condensed consolidated interim financial statements and the related notes to them are presented in accordance with the formats required by the CMB that announced in weekly newsletters numbered 2008/16, 2008/18, 2009/2 2009/4 and 2009/40 including the compulsory disclosures.

The condensed consolidated interim financial statements are prepared in Turkish Lira ("TL") based on the historical cost convention except for the financial assets and liabilities which are expressed with their fair values.

2.2 Summary of Significant Accounting Policies

The condensed consolidated interim financial statements prepared for the interim period 1 January - 30 June 2012 should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2011.

Expenses which have not been allocated evenly during the one year fiscal period, have been taken into consideration in the condensed consolidated interim financial statements in cases where only if these expenses can be anticipated or deferred accordingly in the fiscal year end.

2.2.1 Comparative Information and Restatement of Prior Period Financial Statements

The significant accounting policies used in the preparation of the condensed consolidated interim financial statements together with the explanations of annual consolidated financial statements for the period 1 January - 31 December 2011 are consistent.

2.2.2 Basis of consolidation

The group continued to apply accounting policies that are stated on the group's 31 December 2011 financial statements.

2.3 Adoption of new and revised standards

a) New and Revised IFRSs affecting presentation and disclosure only

None.

b) New and Revised IFRSs affecting the reported financial performance and / or financial position

None.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Adoption of new and revised standards (continued)

c) New and Revised IFRSs applied with no material effect on the consolidated financial statements

The following new and revised IFRSs have been adopted in these consolidated financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Amendments to IFRS 7 *Disclosures – Transfers of Financial Assets*

The amendments to IFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

These amendments to IFRS 7 did not have a significant effect on the Group's disclosures. However, if the Group enters into other types of transfers of financial assets in the future, disclosures regarding those transfers may be affected.

d) New and Revised IFRSs in issue but not yet effective

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Amendments to IFRS 7	*Disclosures – Offsetting of Financial Assets and Financial Liabilities*
IFRS 9	*Financial Instruments*
IFRS 10	*Consolidated Financial Statements*
IFRS 11	*Joint Arrangements*
IFRS 12	*Disclosure of Interests in Other Entities*
IFRS 13	*Fair Value Measurement*
Amendments to IAS 1	*Presentation of Items of Other Comprehensive Income*
IAS 19 (as revised in 2011)	*Employee Benefits*
IAS 27 (as revised in 2011)	*Separate Financial Statement*
IAS 28 (as revised in 2011)	*Investments in Associates and Joint Ventures*
IFRIC 20	*Stripping Costs in the Production Phase of a Surface Mine*
Amendments to IAS 32	*Financial Instruments: Presentation - Offsetting of Financial Assets and Financial Liabilities*

The amendments to IFRS 7 require an entity to disclose information about rights of offset and related agreements for financial instruments under an enforceable master netting agreement or similar arrangement. The new disclosures are required for annual or interim periods beginning on or after 1 January 2013.

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Adoption of new and revised standards (continued)

d) New and Revised IFRSs in issue but not yet effective (continued)

IFRS 9 issued in November 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 amended in October 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

- IFRS 9 requires all recognized financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

- The most significant effect of IFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under IFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

IFRS 9 was amended to defer the mandatory effective date of both the 2009 and 2010 versions of IFRS 9 to annual periods beginning on or after 1 January 2015. Prior to the amendments, application of IFRS 9 was mandatory for annual periods beginning on or after 1 January 2013. The amendments continue to permit early application. The amendments modify the existing comparative transition disclosures in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IFRS 7 Financial Instruments: Disclosures. Instead of requiring restatement of comparative financial statements, entities are either permitted or required to provide modified disclosures on transition from IAS 39 Financial Instruments: Recognition and Measurement to IFRS 9 depending on the entity’s date of adoption and whether the entity chooses to restate prior periods.

The Group management anticipates that IFRS 9 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2015 and that the application of IFRS 9 may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

In May 2011, a package of five Standards on consolidation, joint arrangements, associates and disclosures was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011).

Key requirements of these five Standards are described below:

IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. SIC-12 Consolidation – Special Purpose Entities has been withdrawn upon the issuance of IFRS 10. Under IFRS 10, there is only one basis for consolidation, which is control. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in IFRS 10 to deal with complex scenarios.

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Adoption of new and revised standards (continued)

d) New and Revised IFRSs in issue but not yet effective (continued)

IFRS 11 replaces IAS 31 Interests in Joint Ventures. IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. SIC-13 Jointly Controlled Entities – Non-monetary Contributions by Venturers has been withdrawn upon the issuance of IFRS 11. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under IAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under IFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under IAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

The Group management anticipates that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013. However, the directors have not yet performed a detailed analysis of the impact of the application of these Standards and hence have not yet quantified the extent of the impact.

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under IFRS 7 Financial Instruments: Disclosures will be extended by IFRS 13 to cover all assets and liabilities within its scope.

IFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that IFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new Standard may affect the amounts reported in the financial statements and result in more extensive disclosures in the financial statements.

The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
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NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Adoption of new and revised standards (continued)

d) New and Revised IFRSs in issue but not yet effective (continued)

The amendments to IAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

The amendments to IAS 19 are effective for annual periods beginning on or after 1 January 2013 and require retrospective application with certain exceptions. The directors anticipate that the amendments to IAS 19 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the amendments to IAS 19 may have impact on amounts reported in respect of the Groups' defined benefit plans. However, the directors have not yet performed a detailed analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the impact.

On 19 October 2011 the IASB issued an Interpretation, IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine, clarifying the requirements for accounting for stripping costs in the production phase of a surface mine. The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. The Interpretation is effective for annual periods beginning on or after 1 January 2013 with earlier application permitted.

The amendments to IAS 32 are intended to clarify existing application issues relating to the offsetting rules and reduce the level of diversity in current practice. The amendments are effective for annual periods beginning on or after 1 January 2014.

Annual Improvements 2009/2011 Cycle

Further to the above amendments and revised standards, the IASB have issued Annual Improvements to IFRSs in May 2012 that cover 5 main standards/interpretations as follows:

IFRS 1	*First-time Adoption of International Financial Standards - Permit the repeated application of IFRS 1, borrowing costs on certain qualifying assets*
IAS 1	*Presentation of Financial Statements - Clarification of the requirements for comparative information*
IAS 16	*Property, Plant and Equipment- Classification of servicing equipment*
IAS 32	*Financial Instruments: Presentation - Clarify that tax effect of a distribution to holders of equity instruments should be accounted for in accordance with IAS 12 Income Taxes*
IAS 34	*Interim Financial Reporting - Clarify interim reporting of segment information for total assets in order to enhance consistency with the requirements in IFRS 8 Operating Segments*

All amendments are effective on or after 1 January 2013. Early adoptions of these amendments are allowed. The Group has not yet had an opportunity to consider the potential impact of the adoption of these amendments to the standards.

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NOTE 3 - SEGMENT REPORTING

Management determines the operating segments based on the reports reviewed by the board of directors, which are found effective in strategic decision making.

Management assesses the Group's performance on a geographic level as Turkey and other countries since the gross sales of these subsidiaries are below 10% of the Group sales. Reportable operating segment revenue comprises primarily retail sales, rent income and wholesales. Rent income and wholesale revenues are not recognized as reportable segments as they are not stated in detail in the reports provided to the board of directors. The board of directors assesses the performance of the operating segments based on a measure of Earning Before Interest, Tax, Depreciation and Amortisation, "EBITDA".

The segment information provided to the board of directors as of 30 June 2012 is as follows:

a) Segment analysis for the period 1 January – 30 June 2012

	Turkey	Other countries	Combined total	Intersegment elimination	Total
External revenues	2.818.093	189.127	3.007.220	-	3.007.220
Inter segment revenues	1.132	-	1.132	(1.132)	-
Sales revenue	2.819.225	189.127	3.008.352	(1.132)	3.007.220
Cost of goods sold	(2.065.303)	(144.030)	(2.209.333)	1.132	(2.208.201)
Gross profit	753.922	45.097	799.019	-	799.019
Selling and marketing expenses	(542.740)	(25.620)	(568.360)	-	(568.360)
General administrative expenses	(98.145)	(13.812)	(111.957)	-	(111.957)
Addition: Depreciation and amortization	54.945	7.812	62.757	-	62.757
Addition: Employment termination benefits	1.274	-	1.274	-	1.274
Addition: Termination benefits paid	5.575	-	5.575	-	5.575
Addition: Unused vacation provision	7.869	-	7.869	-	7.869
EBITDA	**182.700**	**13.477**	**196.177**	-	**196.177**

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NOTE 3 - SEGMENT REPORTING (Continued)

b) Segment analysis for the period 1 January – 30 June 2011

	Turkey	**Other countries**	**Combined total**	**Intersegment elimination**	**Total**	**Discontinued operations**
External revenues	2.483.322	156.546	2.639.868	-	2.639.868	576.243
Inter segment revenues	2.044	-	2.044	(2.044)	-	-
Sales revenue	2.485.366	156.546	2.641.912	(2.044)	2.639.868	576.243
Cost of goods sold	(1.827.967)	(120.195)	(1.948.162)	2.044	(1.946.118)	(478.033)
Gross profit	657.399	36.351	693.750	-	693.750	98.210
Selling and marketing expenses	(462.405)	(21.518)	(483.923)	-	(483.923)	(128.956)
General administrative expenses	(89.235)	(12.333)	(101.568)	-	(101.568)	(9.282)
Addition: Depreciation and amortization	52.815	6.986	59.801	-	59.801	5.402
Addition: Employment termination benefits	811	-	811	-	811	13
Addition: Termination benefits paid	5.453	-	5.453	-	5.453	1.228
Addition: Unused vacation provision	3.982	-	3.982	-	3.982	107
Addition: One-off costs due to Şok stores concept change	-	-	-	-	-	8.400
EBITDA	**168.820**	**9.486**	**178.306**	**-**	**178.306**	**(24.878)**

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NOTE 3 - SEGMENT REPORTING (Continued)

c) Segment analysis for the period 1 April – 30 June 2012

	Turkey	**Other countries**	**Combined total**	**Intersegment elimination**	**Total**
External revenues	1.460.094	92.358	1.552.452	-	1.552.452
Inter segment revenues	739	-	739	(739)	-
Sales revenue	1.460.833	92.358	1.553.191	(739)	1.552.452
Cost of goods sold	(1.069.254)	(70.158)	(1.139.412)	739	(1.138.673)
Gross profit	391.579	22.200	413.779	-	413.779
Selling and marketing expenses	(285.992)	(12.918)	(298.910)	-	(298.910)
General administrative expenses	(49.554)	(6.153)	(55.707)	-	(55.707)
Addition: Depreciation and amortization	27.935	3.338	31.273	-	31.273
Addition: Employment termination benefits	384	-	384	-	384
Addition: Termination benefits paid	2.399	-	2.399	-	2.399
Addition: Unused vacation provision	4.147	-	4.147	-	4.147
EBITDA	**90.898**	**6.467**	**97.365**	**-**	**97.365**

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NOTE 3 - SEGMENT REPORTING (Continued)

d) Segment analysis for the period 1 April – 30 June 2011

	Turkey	Other countries	Combined total	Intersegment elimination	Total	Discontinued operations
External revenues	1.292.533	76.343	1.368.876	-	1.368.876	271.917
Inter segment revenues	1.215	-	1.215	(1.215)	-	-
Sales revenue	1.293.748	76.343	1.370.091	(1.215)	1.368.876	271.917
Cost of goods sold	(953.885)	(59.194)	(1.013.079)	1.215	(1.011.864)	(226.781)
Gross profit	339.863	17.149	357.012	-	357.012	45.136
Selling and marketing expenses	(240.365)	(10.894)	(251.259)	-	(251.259)	(64.083)
General administrative expenses	(45.313)	(5.419)	(50.732)	-	(50.732)	(3.946)
Addition: Depreciation and amortization	27.478	2.658	30.136	-	30.136	2.102
Addition: Employment termination benefits	(623)	-	(623)	-	(623)	-
Addition: Termination benefits paid	2.700	-	2.700	-	2.700	373
Addition: Unused vacation provision	1.974	-	1.974	-	1.974	-
Addition: One-off costs due to Şok stores concept change	-	-	-	-	-	4.800
EBITDA	**85.714**	**3.494**	**89.208**	**-**	**89.208**	**(15.618)**

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NOTE 3 - SEGMENT REPORTING (Continued)

Reconciliation of EBITDA with income before tax is as follows:

	1 January - 30 June 2012	**1 April - 30 June 2012**	**1 January - 30 June 2011**	**1 April - 30 June 2011**
EBITDA, reported segments	196.177	97.365	178.306	89.208
Depreciation and amortisation	(62.757)	(31.273)	(59.801)	(30.136)
Employment termination benefits	(1.274)	(384)	(811)	623
Termination benefits paid	(5.575)	(2.399)	(5.453)	(2.700)
Provision of unused vacation	(7.869)	(4.147)	(3.982)	(1.974)
Other operating income	4.998	1.051	5.771	3.337
Other operating expenses(-)	(20.194)	(9.488)	(16.798)	(12.309)
Operating profit	**103.506**	**50.725**	**97.232**	**46.049**
Financial income	220.310	121.825	125.581	68.397
Financial expenses(-)	(179.024)	(93.727)	(478.065)	(273.968)
Income / (loss) before tax	**144.792**	**78.823**	**(255.252)**	**(159.522)**

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NOTE 4 - DERIVATIVE FINANCIAL INSTRUMENTS

Current derivative financial instruments

Current liabilities	**30 June 2012**	**31 December 2011**
Forward foreign exchange contracts	22.177	22.591
	22.177	**22.591**

Non-current derivative financial instruments

Non-current assets	**30 June 2012**	**31 December 2011**
Corridor options	-	40
CAP options	118	3
	118	**43**

Non-current liabilities	**30 June 2012**	**31 December 2011**
Forward foreign exchange contracts	-	7.554
Interest rate swap contracts	8.951	5.791
	8.951	**13.345**

The Group entered into a number of forward currency exchange contracts with banks in order to hedge its exchange rate risk. As at the settlement date, the Group sells TL and purchases Euro at agreed strike prices. The fair values of the foreign exchange contracts as of 30 June 2012 which extend until year 2013 are as follows:

	EURO Amount to be purchased	**TL Amount to be sold**	**Fair Value (TL)**
	20.850	73.539	22.177

The Group entered into the following interest rate swap, collar, cap and corridor contracts with banks in order to hedge its interest rate risk. The contracts details and their fair values at 30 June 2012 are as follows:

Current assets

Agreement Type	**Transaction Date**	**Effective Date**	**Expiration Date**	**Derivative Instrument Amount (EUR)**	**Fair Value TL**
Corridor	26 August 2009	31 May 2011	30 November 2012	300 million	-
Cap	26 August 2009	31 May 2011	30 November 2012	125 million	-
					-

Non-current assets

Agreement Type	**Transaction Date**	**Effective Date**	**Expiration Date**	**Derivative Instrument Amount (EUR)**	**Fair Value TL**
Cap	30 May 2012	31 May 2012	29 May 2013	213 million	118
					118

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NOTE 4 - DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Non-current liabilities

Agreement Type	Transaction Date	Effective Date	Expiration Date	Derivative Instrument Amount (EUR)	Fair Value TL
Interest rate swap	6 October 2010	30 November 2011	29 November 2013	105 million	3.270
Interest rate swap	6 October 2010	31 May 2011	30 November 2013	105 million	2.701
Interest rate swap	6 October 2010	31 May 2011	29 November 2013	53 million	1.464
Interest rate swap	6 October 2010	30 November 2011	30 November 2013	53 million	1.516
					8.951

The fair values of the foreign exchange contracts as of 31 December 2011 which extend until year 2013 are as follows:

	EURO Amount to be purchased	TL Amount to be sold	Fair Value (TL)
	46.140	151.540	30.145

The Group entered into the following interest rate swap, collar, cap and corridor contracts with banks in order to hedge its interest rate risk. The contracts details and their fair values at 31 December 2011 are as follows:

Non-current assets

Agreement Type	Transaction Date	Effective Date	Expiration Date	Derivative Instrument Amount (EUR)	Fair Value TL
Coridor	26 August 2009	31 May 2011	30 November 2012	300 million	40
Cap	26 August 2009	31 May 2011	30 November 2012	125 million	3
					43

Non-current liabilities

Agreement Type	Transaction Date	Effective Date	Expiration Date	Derivative Instrument Amount (EUR)	Fair Value TL
Interest rate swap	6 October 2010	30 November 2011	29 November 2013	105 million	1.963
Interest rate swap	6 October 2010	31 May 2011	30 November 2013	105 million	1.711
Interest rate swap	6 October 2010	31 May 2011	29 November 2013	53 million	1.039
Interest rate swap	6 October 2010	30 November 2011	30 November 2013	53 million	1.078
					5.791

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NOTE 5 - INVESTMENT PROPERTY

	Opening 1 January 2012	Additions	Transfers	Cumulative translation differences	Closing 30 June 2012
Cost					
Land and buildings	71.979	50	-	(2.365)	69.664
Accumulated depreciation					
Buildings	(20.614)	(2.243)	-	264	(22.593)
Net book value	**51.365**				**47.071**

	Opening 1 January 2011	Additions	Transfers	Cumulative translation differences	Closing 30 June 2011
Cost					
Land and buildings	67.229	160	-	2.533	69.922
Accumulated depreciation					
Buildings	(15.036)	(2.481)	-	(341)	(17.858)
Net book value	**52.193**				**52.064**

Depreciation expenses of the period are recorded in general administrative expenses.

Investment properties of the Group consist of space rented to other retailers in Samal shopping mall and Tastak store in Kazakhstan and in Skopje in Macedonia. At 30 June 2012, total investment property of the Group in Kazakhstan and Macedonia are 8.332 square meters and 8.825 square meters, respectively (31 December 2011: 8.410 square meters in Kazakhstan, 9.131 square meters in Macedonia).

Fair value of investment properties in Kazakhstan and in Macedonia are TL 74.065 and TL 70.438 respectively. This value is determined by using discounted cash flow valuation method.

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NOTE 6 - PROPERTY, PLANT AND EQUIPMENT

	Opening 1 January 2012	Additions	Disposals	Impairment loss (*)	Transfers	Cumulative translation differences	Closing 30 June 2012
Cost							
Land and buildings	455.747	1.187	-	-	48	(2.790)	454.192
Leasehold improvements	425.670	12.698	-	(8.868)	8.870	(1.048)	437.322
Machinery and equipments	330.621	20.446	(3.835)	-	12.950	(1.626)	358.556
Vehicles	2.736	353	(1.366)	-	-	(33)	1.690
Furniture and fixture	170.053	11.277	(1.028)	-	1.979	(713)	181.568
Construction in progress	3.210	28.752	-	-	(23.847)	-	8.115
	1.388.037	**74.713**	**(6.229)**	**(8.868)**	**-**	**(6.210)**	**1.441.443**
Accumulated depreciation							
Buildings	(27.918)	(4.254)	-	-	-	353	(31.819)
Leasehold improvements	(124.215)	(19.779)	-	5.371	-	111	(138.512)
Machinery and equipments	(74.075)	(20.762)	3.734	-	-	741	(90.362)
Vehicles	(878)	(181)	438	-	-	10	(611)
Furniture and fixture	(42.070)	(8.551)	955	-	-	545	(49.121)
	(269.156)	**(53.527)**	**5.127**	**5.371**	**-**	**1.760**	**(310.425)**
Net book value	**1.118.881**						**1.131.018**

(*) Impairment loss amounted to net TL 3.497 consists of leasehold improvements of stores closed in 2012.

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NOTE 6 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	Opening 1 January 2011	Additions	Disposals	Impairment loss (*)	Transfers	Disposals from sale of a subsidiary	Transfers to investments properties	Cumulative translation differences	Closing 30 June 2011
Cost									
Land and buildings	471.028	566	-	-	27	(25.978)	-	4.076	449.719
Leasehold improvements	454.066	11.011	(248)	(10.303)	9.343	-	(63.243)	991	401.617
Machinery and equipments	345.138	12.995	(2.468)	-	13.031	(1.085)	(80.821)	715	287.505
Vehicles	2.778	23	(50)	-	-	(54)	-	46	2.743
Furniture and fixture	157.248	7.467	(1.136)	-	4.068	(1.170)	(13.742)	1.916	154.651
Construction in progress	8.110	36.316	-	-	(26.469)	(76)	-	4	17.885
	1.438.368	**68.378**	**(3.902)**	**(10.303)**	**-**	**(28.363)**	**(157.806)**	**7.748**	**1.314.120**
Accumulated depreciation									
Buildings	(26.170)	(4.189)	-	-	-	5.171	-	(882)	(26.070)
Leasehold improvements	(119.063)	(23.213)	-	5.338	-	-	30.675	(487)	(106.750)
Machinery and equipments	(65.931)	(21.205)	2.420	-	-	917	25.070	(305)	(59.034)
Vehicles	(463)	(248)	-	-	-	60	-	(11)	(662)
Furniture and fixture	(32.850)	(8.082)	1.102	-	-	973	4.884	(608)	(34.581)
	(244.477)	**(56.937)**	**3.522**	**5.338**	**-**	**7.121**	**60.629**	**(2.293)**	**(227.097)**
Net book value	**1.193.891**								**1.087.023**

(*) Impairment loss amounted to net TL 4.965 consists of leasehold improvements of stores closed in 2011.

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NOTE 7 - INTANGIBLE ASSETS

	Opening 1 January 2012	Additions	Disposals	Disposals from sale of a subsidiary	Cumulative translation difference	Reclasses to assets classified as held for sale	Closing 30 June 2012
Cost							
Trademark (*)	202.175	-	-	-	-	-	202.175
Rent agreements (**)	32.982	-	-	-	-	-	32.982
Rights	29.105	4.859	(47)	-	(46)	-	33.871
Other intangible assets (***)	28.783	-	-	-	-	-	28.783
	293.045	**4.859**	**(47)**	**-**	**(46)**	**-**	**297.811**
Accumulated amortisation							
Rent agreements	(20.134)	(1.658)	-	-	-	-	(21.792)
Rights	(13.547)	(2.761)	125	-	(151)	-	(16.334)
Other intangible assets	(9.094)	(2.568)	-	-	-	-	(11.662)
	(42.775)	**(6.987)**	**125**	**-**	**(151)**	**-**	**(49.788)**
Net book value	**250.270**						**248.023**

	Opening 1 January 2011	Additions	Disposals	Disposals from sale of a subsidiary	Cumulative translation difference	Reclasses to assets classified as held for sale	Closing 30 June 2011
Cost							
Trademark (*)	253.068	-	-	-	-	(50.893)	202.175
Rent agreements (**)	32.982	-	-	-	-	-	32.982
Rights	20.975	3.353	(64)	(391)	345	-	24.218
Other intangible assets (***)	28.783	-	-	-	-	-	28.783
	335.808	**3.353**	**(64)**	**(391)**	**345**	**(50.893)**	**288.158**
Accumulated amortisation							
Rent agreements	(15.626)	(2.254)	-	-	-	-	(17.880)
Rights	(9.007)	(2.179)	62	162	(172)	-	(11.134)
Other intangible assets	(6.389)	(1.352)	-	-	-	-	(7.741)
	(31.022)	**(5.785)**	**62**	**162**	**(172)**	**-**	**(36.755)**
Net book value	**304.786**						**251.403**

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NOTE 7 - INTANGIBLE ASSETS (Continued)

(*) IFRS 3, "Business Combinations", requires the acquirer at the acquisition date to allocate the cost of a business combination by recognising the acquiree's identifiable assets, liabilities and contingent liabilities at their fair values as at that date.

The fair value of Tansaş trademark which were considered as an identifiable intangible asset by the Group was determined by the relief from royalties method and estimated the fair value of the trademarks in the amount of TL 202.175 at the acquisition date 30 May 2008. Those amounts have been accounted for as an intangible asset and assets classified as held for sale respectively in the consolidated financial statements. Since the trademark does not have a definite useful life and it is foreseen that certain expenses will be incurred each year in order to maintain its value, it is considered as an intangible asset with an indefinite useful life and therefore has not been amortised. Additionally, Migros assesses the intangible assets with indefinite useful lives annually for any indication of impairment.

(**) The Group determined the value of the benefit derived from the lease contracts of MMM and Maxi stores, which were designated as intangible assets, at an amount of TL 32.982 and was accounted for under the intangible assets in the consolidated financial statements. Lease contracts are recorded at their fair values at the date of purchase, and amortised during the contract period.

(***) On 24 July 2008, the Group purchased all of the furniture and fixtures of a local retail chain named as Maxi Market at Silivri, Tekirdag and Çengelköy stores, with a total sales area of 13.000 square metres, from Hamoglu Yönetim Organizasyonu Personel Taşımacılık ve Yemek Üretim Hizmetleri İsletmecilik A.Ş. and also took over the rent agreements of the mentioned stores. The excess amount of the consideration given over the fair value of acquired assets in the amount of TL 10.297 was accounted for under other intangible assets and will be amortised over the rent agreement period.

On 10 March 2009, the Group purchased all of the furniture and fixtures of 7 stores belonging to Mak Gıda Pazarlama San. ve Tic. A.Ş.,a local retail chain operating in Gaziantep region, with a total sales area of 9.592 square metres and on 12 February 2009 the Group purchased all of the furniture and fixtures of 21 stores belonging to Yonca Marketçilik ve İnş. Hiz. San. ve Tic. A.Ş. ("Yonca"), a local retail chain mainly operating in Adana region, with a total sales area of 17.480 square metres and also took over the rent agreements of the mentioned stores. The excess amount of the consideration given over the fair value of acquired assets in the total amount of TL 18.486, TL 601 for the Mak Gıda and TL17.885 for Yonca, respectively- was accounted for under other intangible assets and will be amortised over the rent agreement period.

NOTE 8 - INVENTORIES

	30 June 2012	**31 December 2011**
Raw materials	1.979	1.589
Work in progress	7.035	5.919
Merchandise stocks	723.399	667.851
Other	2.449	3.641
	734.862	**679.000**

The Group valued the cost value of inventories over the most recent purchase price.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 9 – GOODWILL

Goodwill movement in the accounting periods is as follows:

	1 January - 30 June 2012	1 January - 30 June 2011
Opening balance	**2.251.427**	**2.251.427**
Closing balance	**2.251.427**	**2.251.427**

NOTE 10 – FINANCIAL LIABILITIES

	30 June 2012		
	Weighted average interest rate	Euro	Total TL equivalent
Current financial liabilities			
Current portion of long-term bank borrowings			
- with fixed interest rates	%2,00	130	296
- with floating interest rates	%4,90	4.512	10.262
Other financial liabilities			
Total current bank borrowings		**4.642**	**10.558**
Non-current financial liabilities			
Non-current bank borrowings			
- with fixed interest rates	%2,00	496	1.130
- with floating interest rates	%4,90	1.052.681	2.394.006
Non-current bank borrowings		**1.053.177**	**2.395.136**
Total financial liabilities		**1.057.819**	**2.405.694**

The redemption schedule of long-term bank borrowings at 30 June 2012 is as follows:

	Euro	TL
1 July 2013 - 30 June 2014	140.022	318.438
1 July 2014 - 30 June 2015	163.957	372.871
1 July 2015 - 30 June 2016	234.171	532.552
1 July 2016 - 30 June 2017	234.171	532.552
1 July 2017 - 31 May 2018	280.856	638.723
	1.053.177	**2.395.136**

The fair value of bank borrowings at 30 June 2012 is TL 2.380.474.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 10 – FINANCIAL LIABILITIES (Continued)

Within the context of the "Facilities Agreement" signed with various financial institutions on 13 February 2008, considering the current market conditions and future plans, on 5 September 2011, the Group made an early payment of 100 Million Euro and its accrued interest, which reduced the remaining instalments in chronological order of the remaining loan of 1.152,7 Million Euro with 10 years maturity as of 30 June 2011. The outstanding capital payable regarding the mentioned "Facilities Agreement" as of 30 June 2012 is 1.052,7 Million Euro. The current portion of the long-term bank borrowings with floating interest rates in the table above only includes interest accruals.

	31 December 2011			
	Weighted average interest rate	**USD**	**Euro**	**Total TL equivalent**
Current financial liabilities				
Current portion of long-term bank borrowings				
- with fixed interest rates	% 2,00	-	124	303
- with floating interest rates	% 5,66	-	5.382	13.153
Other financial liabilities		179	-	340
Total financial liabilities		**179**	**5.506**	**13.796**
Non-current financial liabilities				
Non-current bank borrowings				
- with fixed interest rates	% 2,00	-	496	1.212
- with floating interest rates	% 5,66	-	1.052.681	2.572.542
Non-current bank borrowings		**-**	**1.053.177**	**2.573.754**
Total financial liabilities		**179**	**1.058.683**	**2.587.550**

The redemption schedule of long-term bank borrowings at 31 December 2011 is as follows:

	Euro	**TL**
1 January 2013 - 31 December 2013	58.106	141.999
1 January 2014 - 31 December 2014	163.957	400.678
1 January 2015 - 31 December 2015	199.064	486.472
1 January 2016 - 31 December 2016	234.171	572.267
1 January 2017 - 31 December 2017	257.452	629.160
1 January 2018 - 31 May 2018	140.427	343.178
	1.053.177	**2.573.754**

The fair value of bank borrowings at 31 December 2011 is TL 2.557.576.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 11 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

	30 June 2012	**31 December 2011**
Provision for litigation	20.395	19.460
Provision for unused vacation	41.914	34.045
Total short-term provisions	**62.309**	**53.505**

There are various lawsuits filed against or in favor of the Group. Receivables, rent or labor disputes constitute the majority of these lawsuits. The Group management estimates the outcomes of these lawsuits and estimates their financial impact according to which the necessary provisions are accounted.

Movement of provision for lawsuits as follows:

1 January 2011	16.632
Increase during the period	4.610
Payments during the period	(1.842)
30 June 2011	**19.400**
1 January 2012	19.460
Increase during the period	5.016
Payments during the period	(4.081)
30 June 2012	**20.395**

Movement of provision for unused vacation in period is as follows:

1 January 2011	31.565
Increase during the period	10.312
Payments during the period	(6.223)
Transfers to liabilities associated with assets classified held for sale	(4.386)
30 June 2011	**31.268**
1 January 2012	34.045
Increase during the period	9.820
Payments during the period	(1.951)
30 June 2012	**41.914**

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NOTE 11 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

a) Guarantees given as at 30 June 2012 and 31 December 2011 are as follows:

Collaterals, Pledges, Mortgages:

	30 June 2012			
Collaterals, Pledges, Mortgages:	**Total TL Amount**	**TL**	**USD**	**Euro**
A. CPM given on behalf of the Company's legal personality	63.266	62.356	472	25
B. CPM given on behalf of fully consolidated subsidiaries	-	-	-	-
C. CPM given for continuation of its economic activities on behalf of third parties	-	-	-	-
D. Total amount of other CPM	-	-	-	-
i. Total amount of CPM given on behalf of the majority shareholder	-	-	-	-
ii. Total amount of CPM given to on behalf of other group companies which are not in scope of B and C	-	-	-	-
iii. Total amount of CPM given on behalf of third parties which are not in scope of C	-	-	-	-
Total Collaterals, Pledges, Mortgages	**63.266**	**62.356**	**472**	**25**
Proportion of other CRM's to equity	**0,0%**			

	31 December 2011			
Collaterals, Pledges, Mortgages:	**Total TL Amount**	**TL**	**USD**	**Euro**
A. CPM given on behalf of the Company's legal personality	56.872	55.919	472	25
B. CPM given on behalf of fully consolidated subsidiaries	-	-	-	-
C. CPM given for continuation of its economic activities on behalf of third parties	-	-	-	-
D. Total amount of other CPM	-	-	-	-
i. Total amount of CPM given on behalf of the majority shareholder	-	-	-	-
ii. Total amount of CPM given to on behalf of other group companies which are not in scope of B and C	-	-	-	-
iii. Total amount of CPM given on behalf of third parties which are not in scope of C	-	-	-	-
Total Collaterals, Pledges, Mortgages	**56.872**	**55.919**	**472**	**25**
Proportion of other CRM's to equity	**0,0%**			

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
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NOTE 11 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Commitments, contingent assets and liabilities (continued):

a) Guarantees given at 30 June 2012 and 31 December 2011 are as follows:

	30 June 2012	31 December 2011
Letter of guarantees given	63.266	56.872

b) Guarantees received at 30 June 2012 and 31 December 2011 are as follows:

	30 June 2012	31 December 2011
Guarantees obtained from customers	98.374	92.019
Mortgages obtained from customers	17.148	17.072
	115.522	**109.091**

c) The future aggregate minimum lease payments under non-cancellable operating leases of land and stores are as follows:

	30 June 2012	31 December 2011
Payable with in 1 year	22.721	21.688
Payable in 1 to 5 years	11.972	7.977
5 years and more	2.814	3.597
	37.507	**33.262**

d) Tax legislations in Kazakhstan are subject to different manners of interpretation; therefore, it alters frequently. Accordingly, the interpretation of tax implications regarding the operations of Ramstore Kazakhstan by the tax authorities may differ from the interpretation of the management, which might lead to additional tax burden, related penalties and interest payments. Tax authorities in Kazakhstan maintain the right to inspect the accounts for the past five fiscal years.

e) Yeni Gimat İşyerleri İşletmesi A.Ş. ("Yeni Gimat") has filed an action of debt regarding the claim of rent difference of the immovable rented to Migros Ticaret amounting TL 38.583 which covers the period from 14 June 2001 to the date of trial, 12 June 2009. The Group management has not booked any provision at the 30 September 2011 condensed consolidated interim financial statements due to the fact that related increases have been made with taking into consideration of rates determined regarding rent increases during the years 2000 and 2001 added as of 16 February 2000 and also as of 30 June 2012 it is seen as a far possibility to be obliged to pay the alleged missing rent payments and overdue interest.

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NOTE 12 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS

	30 June 2012	31 December 2011
Provision for employee termination benefits	11.790	10.516

Movements in the provision for employment termination benefits are as follows:

1 January 2011	10.269
Increase during the period	7.605
Payments during the period	(6.681)
Transfers to liabilities associated with assets classified held for sale	(104)
Actuarial loss	(100)
30 June 2011	**10.989**
1 January 2012	10.516
Increase during the period	7.890
Payments during the period	(5.575)
Actuarial loss	(1.041)
30 June 2012	**11.790**

NOTE 13 - REVENUE AND COST OF SALES

Details of domestic and foreign sales before other sales, discounts and returns are as follows:

	1 January- 30 June 2012	1 April- 30 June 2012	1 January- 30 June 2011	1 April- 30 June 2011
Domestic sales	2.904.969	1.514.209	2.554.956	1.329.733
Foreign sales	189.342	92.286	156.890	76.723
	3.094.311	**1.606.495**	**2.711.846**	**1.406.456**
Other sales	3.871	1.709	3.032	1.542
	3.098.182	**1.608.204**	**2.714.878**	**1.407.998**
Less: Discounts and returns	(90.962)	(55.752)	(75.010)	(39.122)
Sales revenue - net	**3.007.220**	**1.552.452**	**2.639.868**	**1.368.876**
Cost of sales	(2.208.201)	(1.138.673)	(1.946.118)	(1.011.864)
Gross Profit	**799.019**	**413.779**	**693.750**	**357.012**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
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NOTE 13 - REVENUE AND COST OF SALES (Continued)

	1 January- 30 June 2012	1 April- 30 June 2012	1 January- 30 June 2011	1 April- 30 June 2011
Retail sales revenue	2.998.827	1.556.853	2.611.114	1.355.420
Rent income	38.231	19.521	51.913	26.374
Wholesale revenue	57.253	30.121	48.819	24.662
	3.094.311	**1.606.495**	**2.711.846**	**1.406.456**

NOTE 14 - EXPENSES BY NATURE

Total	1 January- 30 June 2012	1 April- 30 June 2012	1 January- 30 June 2011	1 April- 30 June 2011
Staff costs	273.395	143.695	228.917	118.561
Rent	137.556	71.461	114.081	58.223
Porterage and cleaning	18.803	9.589	16.342	8.548
Transportation	29.087	14.720	26.389	14.187
Depreciation and amortisation	62.757	31.273	59.801	30.137
Energy	47.138	25.406	41.417	21.562
Advertising	21.917	12.323	19.206	11.819
Repair and maintenance	10.665	5.752	9.285	4.620
Security	8.402	4.387	7.613	3.167
Warehouse	17.239	8.783	17.117	9.054
Taxes and other fees	4.785	2.988	5.457	2.032
Mechanisation	6.702	3.543	4.552	2.341
Communication	3.619	1.870	3.076	1.387
Other	38.252	18.827	32.238	16.353
	680.317	**354.617**	**585.491**	**301.991**

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NOTE 14 - EXPENSES BY NATURE (Continued)

Marketing, selling and distribution expenses	1 January- 30 June 2012	1 April- 30 June 2012	1 January- 30 June 2011	1 April- 30 June 2011
Staff costs	234.302	124.054	195.267	101.104
Rent	137.322	71.344	114.046	58.207
Porterage and cleaning	18.248	9.367	15.930	8.344
Transportation	28.931	14.659	26.301	14.146
Energy	46.557	25.119	41.030	21.363
Advertising	21.917	12.323	19.206	11.819
Repair and maintenance	10.442	5.668	9.100	4.510
Security	8.114	4.237	7.437	3.071
Warehouse	17.239	8.783	17.117	9.054
Taxes and other fees	4.294	2.678	4.524	1.730
Mechanisation	6.044	3.206	4.113	2.341
Communication	3.060	1.597	2.335	1.068
Other	31.890	15.875	27.517	14.502
	568.360	**298.910**	**483.923**	**251.259**

General administrative expenses	1 January- 30 June 2012	1 April- 30 June 2012	1 January- 30 June 2011	1 April- 30 June 2011
Staff costs	39.093	19.641	33.650	17.457
Depreciation and amortisation	62.757	31.273	59.801	30.136
Other	10.107	4.793	8.117	3.139
	111.957	**55.707**	**101.568**	**50.732**

Expenses by nature in cost of sales for the periods 1 January – 30 June 2012 and 2011 are as follows:

	1 January- 30 June 2012	1 April- 30 June 2012	1 January- 30 June 2011	1 April- 30 June 2011
Cost of trade goods	(2.198.450)	(1.133.761)	(1.922.586)	(1.000.479)
Service costs	(9.751)	(4.912)	(23.532)	(11.385)
	(2.208.201)	**(1.138.673)**	**(1.946.118)**	**(1.011.864)**

Cost of trade goods include discounts, incentives and volume rebates obtained from suppliers. Service costs are formed of rent, energy, advertising, cleaning, security and administrative expenses incurred in the Group's shopping malls.

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)
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NOTE 15 - OTHER OPERATING INCOME / EXPENSE

Other operating income:	1 January-30 June 2012	1 April-30 June 2012	1 January-30 June 2011	1 April-30 June 2011
Gain on sales of scrap goods	432	106	423	212
Provision write-off	102	36	1.117	163
Gain on sales of property, plant and equipment	1.139	835	777	752
Gain on damage insurance	1.441	39	193	51
Other	1.884	35	3.261	2.159
	4.998	**1.051**	**5.771**	**3.337**

Other operating expenses:	1 January-30 June 2012	1 April-30 June 2012	1 January-30 June 2011	1 April-30 June 2011
Losses from closed stores	(3.497)	(134)	(4.965)	(4.965)
Bad debt expense	(480)	(257)	(528)	(395)
Paid lawsuit and provision expenses	(4.081)	(3.200)	(1.842)	(588)
Litigation provisions	(935)	1.651	(2.768)	(410)
Loss on sale of fixed assets	(280)	(73)	(112)	(85)
Losses from prior period rent differences	(6.664)	(6.043)	(1.208)	(1.054)
Other	(4.257)	(1.432)	(5.375)	(4.812)
	(20.194)	**(9.488)**	**(16.798)**	**(12.309)**

NOTE 16 - FINANCIAL INCOME

	1 January-30 June 2012	1 April-30 June 2012	1 January-30 June 2011	1 April-30 June 2011
Interest income on bank deposits	19.892	9.791	11.930	6.788
Foreign exchange gains	178.760	97.131	51.669	28.953
Financial income on derivatives	7.967	7.967	53.878	28.321
Due date charges on term sales	13.691	6.936	7.893	4.243
Other	-	-	211	92
	220.310	**121.825**	**125.581**	**68.397**

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NOTE 17 - FINANCIAL EXPENSE

	1 January-30 June 2012	1 April-30 June 2012	1 January-30 June 2011	1 April-30 June 2011
Due date difference on term purchases	(50.598)	(25.808)	(30.484)	(17.150)
Foreign exchange losses	(32.110)	(17.295)	(347.773)	(194.089)
Interest expense on bank borrowings	(70.038)	(32.932)	(75.657)	(40.253)
Financial expense on derivatives	(23.794)	(16.413)	(22.144)	(21.577)
Other	(2.484)	(1.279)	(2.007)	(899)
	(179.024)	**(93.727)**	**(478.065)**	**(273.968)**

NOTE 18 - TAXES ON INCOME

	30 June 2012	31 December 2011
Taxes and fund payable	10.691	115.691
Less: Prepaid current income taxes	(9.881)	(113.170)
Taxes on income, net (*)	**810**	**2.521**

(*) The portion of prepaid taxes, which exceed the corporate tax payable as of 30 June 2012 amounting to TL 630 are presented under other receivables.

	30 June 2012	31 December 2011
Deferred tax assets	24.833	25.558
Deferred tax liabilities	(130.375)	(130.904)
	(105.542)	**(105.346)**

The Group is subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated change based on the Group results for the period.

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, tax liabilities, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

In Turkey, corporation tax rate for the year 2012 is 20% (2011: 20%).

Implied corporation tax rates in Kazakhstan, Bulgaria and Macedonia are 20%, 10% and 10% respectively (31 December 2011: 20%, 10% and 10% respectively).

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate is 20% in 2012 (2011: 20%). Losses are allowed to be carried 5 years maximum to be deducted from the taxable profit of the following years. However, losses occurred cannot be deducted from the prior years profit retroactively.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. The companies with special accounting periods file their tax returns between 1st-25th of fourth month after fiscal year end. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
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NOTE 18 - TAXES ON INCOME (Continued)

The details of taxation on income for the periods ended 30 June 2012 and 2011 are as follows:

	1 January-30 June 2012	**1 April-30 June 2012**	**1 January-30 June 2011**	**1 April-30 June 2011**
Current period tax expense	(10.691)	(2.299)	(20.973)	(10.877)
Deferred tax income / (expense)	376	(3.596)	(6.077)	(4.907)
	(10.315)	**(5.895)**	**(27.050)**	**(15.784)**

Income withholding tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is applied as 10% from 24 April 2003 until 22 July 2006. This rate was changed to 15% commencing from 23 July 2006. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

Withholding tax at the rate of 19,8% is still applied to investment allowances relating to investment incentive certificates obtained prior to 24 April 2003. Subsequent to this date, investments without investment incentive certificates do not qualify for tax allowance.

Deferred income taxes

The Group recognises deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with CMB Financial Reporting Standards and its statutory tax financial statements. Temporary differences generally arise due to the recording of incomes and expenses in different reporting periods according to Tax Laws and CMB Accounting Standards. Deferred income taxes will be calculated on temporary differences that are expected to be realized or settled based on the taxable income in the coming years under the liability method using a principal tax rate of 20%, 20%, 10% and 10% for Turkey, Kazakhstan, Bulgaria and Macedonia, respectively (31 December 2011: 20%, 20%, 10% and 10% respectively).

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NOTE 18 - TAXES ON INCOME (Continued)

Deferred income taxes (continued)

The composition of cumulative temporary differences and the related deferred income tax assets and liabilities in respect of items for which deferred income tax has been provided as of 30 June 2012 and 31 December 2011 using the currently enacted tax rates, is as follows:

	Cumulative temporary differences		Deferred income tax assets / (liabilities)	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Fair value change of derivative instruments	31.128	35.936	6.226	7.187
Expense accruals and provisions	62.309	53.504	12.462	10.701
Inventories	17.251	16.038	3.450	3.208
Provision for employment termination benefits	11.790	10.516	2.359	2.103
Unincurred interest income	237	328	47	66
Other	1.449	11.466	289	2.293
Deferred income tax assets			**24.833**	**25.558**
Fair value change of derivative instruments	-	43	-	9
Property, plant and equipment and intangible assets	665.630	664.118	125.740	125.360
Unincurred interest expense	16.813	15.699	3.363	3.140
Other	6.358	11.975	1.272	2.395
Deferred income tax liability			**130.375**	**130.904**
Total deferred income tax liability, net			**(105.542)**	**(105.346)**

	30 June 2012	31 December 2011
Deferred income tax assets:		
Deferred income tax asset to be recovered after more than 12 months	4.148	4.772
Deferred income tax asset to be recovered within 12 months	20.685	20.786
	24.833	**25.558**
Deferred income tax liabiities:		
Deferred income tax liability to be settled after more than 12 months	(125.742)	(125.369)
Deferred income tax liabilitiy to be settled within 12 months	(4.633)	(5.535)
	(130.375)	**(130.904)**
Deferred tax liabilities, net	**(105.542)**	**(105.346)**

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NOTE 18 - TAXES ON INCOME (Continued)

Deferred income taxes (continued)

Movement of deferred income tax assets and liabilities are as follows:

	Deferred income tax liabilities
1 January 2011	(118.411)
Current year deferred tax income	(6.077)
Transfers to liabilities associated with discontinued operations	5.469
Disposal from sale of subsidiary	3.105
Cumulative translation difference	31
30 June 2011	**(115.883)**
1 January 2012	(105.346)
Current period deferred tax expense	376
Cumulative translation difference	(572)
30 June 2012	**(105.542)**

NOTE 19 - EQUITY

Share Capital

As of 30 June 2012 the Company's authorised capital consists of 17.803.000.000 shares at 1 shares of KR 1 nominal value. All shares are paid-in and no privileges are given to different share groups and shareholders.

The shareholders of the Company and their shareholdings stated at historical amounts at 30 June 2012 and 31 December 2011 are stated below:

	30 June 2012		**31 December 2011**	
Shareholders	**Share %**	**Amount**	**Share %**	**Amount**
MH Perakendecilik ve Ticaret A.Ş.	80,51	143.323	80,51	143.323
Other	19,49	34.707	19,49	34.707
	100,00	**178.030**	**100,00**	**178.030**

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NOTE 20 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

(i) Balances with related parties

Due from related parties	**30 June 2012**	**31 December 2011**
Mavi Jeans Giyim Sanayi ve Tic. A.Ş.	5	4
Tekin Acar Büyük Mağazacılık T.A.Ş.	6	6
Provus Bilişim Hizmetleri A.Ş.	8	-
Total due from related parties	**19**	**10**

Due ro related parties	**30 June 2012**	**31 December 2011**
Sanal Merkez T.A.Ş.	-	226
Other	1.114	1.139
Total due to related parties	**1.114**	**1.365**

ii) Transactions with related parties

Non-current asset purchase	**1 January-30 June 2012**	**1 April-30 June 2012**	**1 January-30 June 2011**	**1 April-30 June 2011**
Sanal Merkez T.A.Ş.	-	-	2	1
	-	**-**	**2**	**1**
Service purchase				
Sanal Merkez T.A.Ş.	-	-	1	-
	-	**-**	**1**	**-**

iii) Other transactions with related parties are as follows:

	1 January-30 June 2012	**1 April-30 June 2012**	**1 January-30 June 2011**	**1 April-30 June 2011**
Rent income	282	111	576	227
	282	**111**	**576**	**227**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 20 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Key management compensation

The Group has determined key management personnel as chairman, members of Board of Directors, general manager and vice general managers.

Total compensation provided to key management personnel by Group for the period ended 30 June 2012 and 2011 is as follows:

	1 January-30 June 2012	**1 April-30 June 2012**	**1 January-30 June 2011**	**1 April-30 June 2011**
Short-term benefits provided to key management	5.913	3.029	7.242	3.581
	5.913	**3.029**	**7.242**	**3.581**

In the six months period ended 30 June 2012 and 2011 key management compensation paid or payable consists of benefits, salaries, premiums, individual pension premiums, vehicle rents and SSI and employer shares and Board of Directors attendance fee.

NOTE 21 - EARNINGS / (LOSS) PER SHARE

	1 January-30 June 2012	**1 April-30 June 2012**	**1 January-30 June 2011**	**1 April-30 June 2011**
Net income / (loss) attributable to the shareholders	134.438	72.909	(327.016)	(198.618)
Weighted average number of sales with Kr1 face value each ('000)	17.803.000	17.803.000	17.803.000	17.803.000
Earnings / (loss) per share (Kr)	**0,76**	**0,41**	**(1,84)**	**(1,12)**

There is no difference between basic and diluted earnings per share for any of the periods.

NOTE 22 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION

The Group is exposed to foreign exchange risk primarily arising from the borrowings denominated in foreign currencies. Aforementioned foreign exchange risk is monitored and limited with derivative instruments.

At 30 June 2012, if Euro had appreciated against TL by 5% and all other variables had remained constant, the profit for the period before tax as a result of foreign exchange rate difference arising out of assets and liabilities denominated in Euro would have been less in the amount of TL 100.222.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

NOTE 22 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (Continued)

	30 June 2012			
		Original Currencies		
	Total TL equivalent	USD	EURO	Other currency
Assets:				
Cash and cash equivalents	418.976	730	177.854	13.181
Trade receivables	3.827	235	28	3.338
Other current assets	5.540	1.532	-	2.773
Total current assets	**428.343**	**2.497**	**177.882**	**19.292**
Other non-current assets	-	-	-	-
Total non-current assets	-	-	-	-
Total assets	**428.343**	**2.497**	**177.882**	**19.292**
Current financial liabilities	10.558	-	4.642	-
Trade payables (net)	5.878	1.510	255	2.571
Other current liabilities	3.148	531	-	2.189
Total current liabilities	**19.584**	**2.041**	**4.897**	**4.760**
Non-current financial liabilities	2.395.136	-	1.053.177	-
Other long-term liabilities	2.706	-	1.190	-
Total non-current liabilities	**2.397.841**	**-**	**1.054.367**	**-**
Total liabilities	**2.417.425**	**2.041**	**1.059.264**	**4.760**
Net balance sheet foreign currency position	**(1.989.082)**	**456**	**(881.382)**	**14.532**
Net asset / liability position of off-balance sheet derivatives (A-B)	-	-	-	-
A. Total foreign currency amount of off-balance sheet derivative financial assets	-	-	-	-
B. Total foreign currency amount of off-balance sheet derivative financial liabilities	-	-	-	-
Net foreign currency position	**(1.989.082)**	**456**	**(881.382)**	**14.532**
Export	-	-	-	-
Import	37.639	21.046	-	-
Fair value of hedged funds of foreign currency	22.177	-	-	-
Hedge amount of foreign currency assets	-	-	-	-
Hedged amount of foreign currency liabilities	47.417	-	20.850	-

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
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NOTE 22 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (Continued)

	31 December 2011			
		Original Currencies		
	Total TL equivalent	USD	EURO	Other currency
Assets:				
Cash and cash equivalents	454.204	8.161	174.148	13.206
Trade receivables	4.695	461	29	3.753
Other current assets	3.974	1.643	-	871
Total current assets	**462.873**	**10.265**	**174.177**	**17.830**
Other non-current assets	-	-	-	-
Total non-current assets	-	-	-	-
Total assets	**462.873**	**10.265**	**174.177**	**17.830**
Current financial liabilities	13.796	179	5.506	-
Trade payables	7.683	-	777	5.784
Other current liabilities	6.150	2.676	24	1.037
Total current liabilities	**27.629**	**2.855**	**6.307**	**6.821**
Non-current financial liabilities	2.573.754	-	1.053.177	-
Total non-current liabilities	**2.573.754**	**-**	**1.053.177**	**-**
Total liabilities	**2.601.383**	**2.855**	**1.059.484**	**6.821**
Net balance sheet foreign currency position	**(2.138.510)**	**7.410**	**(885.307)**	**11.009**
Net asset / liability position of off-balance sheet derivatives (A-B)	-	-	-	-
A. Total foreign currency amount of off-balance sheet derivative financial assets	-	-	-	-
B. Total foreign currency amount of off-balance sheet derivative financial liabilities	-	-	-	-
Net foreign currency position	**(2.138.510)**	**7.410**	**(885.307)**	**11.009**
Export	-	-	-	-
Import	57.855	35.002	-	-
Fair value of hedged funds of foreign currency	30.145	-	-	-
Hedge amount of foreign currency assets	-	-	-	-
Hedged amount of foreign currency liabilities	112.757	-	46.140	-

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
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NOTE 22 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (Continued)

30 June 2012

	Gain / Loss	
	Foreign exchange appreciation	**Foreign exchange depreciation**
5% change in Euro Exchange rate		
Euro net asset / liability	(100.222)	100.222
Portion secured from Euro risk	-	-
Euro net effect	(100.222)	100.222

31 December 2011

	Gain / Loss	
	Foreign exchange appreciation	**Foreign exchange depreciation**
5% change in Euro Exchange rate		
Euro net asset / liability	(108.176)	(108.176)
Portion secured from Euro risk	-	-
Euro net effect	(108.176)	108.176

NOTE 23 - FINANCIAL INSTRUMENTS

Fair value estimation

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

Effective 1 January 2009, the group adopted the amendment to IFRS 7 for financial instruments that are measured in the balance sheet at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

In the balance sheet, derivative financial instrument is the only item that is recognized at fair value. The fair value of derivative financial instrument is determined by using valuation technique, which can be regarded as Level 2. Apart from that, for disclosure purposes, the borrowings carried at the amortized cost at the balance sheet are presented with their values in Note 6. The fair value of borrowings for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate (Euribor) that is available to the Group for similar financial instruments that can be classified as level 2. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to the short-term nature of trade receivables and payables.

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NOTE 24 - MERGER OF ENTERPRISES SUBJECT TO COMMON CONTROL

In accordance with the decision adopted during Migros Türk's general assembly held on 28 April 2009, Migros Türk has decided to merge with Moonlight through a takeover of its assets and liabilities as a whole within the framework of Capital Markets Board ("CMB") requirements, Turkish Commercial Code, Law No. 451, and other related articles and Corporate Tax Law No. 19-20. As a result of the mentioned merger, it has been decided to increase Moonlight's capital from TL 174.323.000 to TL178.030.000 (Amounts expressed in Turkish Lira ("TL")) and also in accordance with the merger agreement approved during the General Assembly, merger ratio of 0,97918 and share exchange ratio of 1,00 has been identified. As a result of the merger, registered shares amounting to TL 3.706.660 (Amounts expressed in Turkish Lira ("TL") issued by Moonlight have been distributed to the shareholders of Migros Türk other than Moonlight in exchange for their Migros Türk shares.

On 30 April 2009 Istanbul Trade Registry Office has announced the registry of Migros Türk's general assembly held on 28 April 2009 and merger agreement on 06 May 2009 dated and 7305 numbered Trade Registry Gazette. As a result of the merger, Moonlight's trade name has been changed as Migros Ticaret A.Ş.

The difference occurred as a result of merger amounting TL 27.312, has been presented as "Additional contribution to shareholders' equity related to merger" under consolidated equity, as there are no related lines present at the financial statement presentation format which is held mandatory by CMB.

NOTE 25 - SUBSEQUENT EVENTS

None.

NOTE 26 - DISCLOSURE OF OTHER MATTERS REQUIRED FOR THE PURPOSE OF UNDERSTANDING AND INTERPRETING THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

On the meeting of Board of Directors dated on 7 June 2011, the Group decided to sold %99,60 shares of subsidiary, Şok Marketler Ticaret A.Ş., to a third party. Accordingly, sale process of Şok Marketler Ticaret A.Ş. has been initiated following the signature of share transfer agreement on 7 June 2011. The necessary permit from Competition Board was obtained on 17 August 2011 and as of 25 August 2011 share transfer was completed. In addition, on 1 August 2011, the Group transferred assets and liabilities allocated to operations held under the Şok Brand to Şok Marketler Ticaret A.Ş.

On 17 February 2011, the Group sold 100% shares of subsidiary, Ramstore Azerbaijan, to a third party. 993 TL worth of sales income is classified under income statement of discontinued operations.

1 January - 30 June 2011 and 1 April - 30 June 2011 accounting periods, income statement of the discontinued operations are as follows:

	1 January-30 June 2011	**1 April-30 June 2011**
Revenue (net)	576.243	271.917
Cost of sales (-)	(478.033)	(226.781)
Marketing, selling and distribution expenses (-)	(128.956)	(64.083)
General administrative expenses (-)	(9.282)	(3.946)
Financial income	2.014	916
Financial expenses (-)	(8.085)	(4.215)
Loss before tax	**(46.099)**	**(26.192)**
Tax expense	425	2.896
Net loss from discontinued operations before the gain from sale of subsidiary	**(45.674)**	**(23.296)**
Gain on sales of subsidiary	993	-
Net loss	**(44.681)**	**(23.296)**