MİGROS TİCARET ANONİM ŞİRKETİ

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2012

(ORIGINALLY ISSUED IN TURKISH)

CONTENTS	PAGE

MİGROS TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED FINANCIAL POSITION AT 31 MARCH 2012

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

	Notes	(Not reviewed) 31 March 2012	(Audited) 31 December 2011
ASSETS			
Current assets			
Cash and cash equivalents		996.895	1.010.255
Trade receivables		54.620	67.174
- Other trade receivables		54.591	67.164
- Due from related parties	20	29	10
Other receivables		1.917	1.037
Derivative financial instruments	4	1	-
Inventories	8	676.383	679.000
Other current assets		59.135	40.104
Total current assets		**1.788.951**	**1.797.570**
Non-current assets			
Other receivables		1.163	1.165
Financial assets		1.695	1.695
Derivative financial instruments	4	-	43
Investment property	5	48.756	51.365
Property, plant and equipment	6	1.110.506	1.118.881
Intangible assets	7	247.646	250.270
Goodwill	9	2.251.427	2.251.427
Other non-current assets		7.909	8.548
Total non-current assets		**3.669.102**	**3.683.394**
Total assets		**5.458.053**	**5.480.964**

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 31 MARCH 2012

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

	Notes	(Not Reviewed) 31 March 2012	(Audited) 31 December 2011
LIABILITIES			
Current liabilities			
Financial liabilities	10	50.424	13.796
Derivative financial instruments	4	27.541	22.591
Trade payables		1.344.452	1.387.042
- Due to related parties	20	1.776	1.365
- Other payables		1.342.676	1.385.677
Other payables		1.800	684
Taxes on income		5.690	2.521
Provisions	11	59.813	53.505
Other current liabilities		93.675	98.555
Total current liabilities		**1.583.395**	**1.578.694**
Non-current liabilities			
Financial liabilities	10	2.492.239	2.573.754
Derivative financial instruments	4	15.734	13.345
Other liabilities		3.180	3.602
Provision for employee termination benefits	12	11.406	10.516
Deferred income tax liabilities	18	101.260	105.346
Total non-current liabilities		**2.623.819**	**2.706.563**
Total liabilities		**4.207.214**	**4.285.257**
EQUITY			
Attributable to equity holders of the parent		1.250.359	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		12.468	18.869
Additional contribution to shareholders' equity related to merger		27.312	27.312
Retained earnings		(92.704)	70.541
Net income / (loss) for the period		61.529	(163.245)
Non-controlling interest		480	476
Total equity		**1.250.839**	**1.195.707**
Total liabilities and equity		**5.458.053**	**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 – 31 MARCH 2012

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

	Notes	(Not reviewed) 1 January - 31 March 2012	(Not reviewed) 1 January - 31 March 2011
CONTINUING OPERATIONS			
Revenue (net)	3,13	1.454.768	1.270.993
Cost of sales (-)	3,13	(1.069.528)	(934.254)
GROSS PROFIT	**3,13**	**385.240**	**336.739**
Marketing, selling and distribution expenses (-)	14	(268.970)	(232.664)
General administrative expenses (-)	14	(56.730)	(50.836)
Other operating income	15	3.947	2.434
Other operating expense (-)	15	(10.706)	(4.487)
OPERATING PROFIT	**3**	**52.781**	**51.186**
Financial income	16	98.485	57.184
Financial expense (-)	17	(85.297)	(204.097)
INCOME / (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**3**	**65.969**	**(95.727)**
Income tax expense	**18**	**(4.420)**	**(11.269)**
- Income tax expense	18	(8.392)	(10.096)
- Deferred income tax income / (expense)	18	3.972	(1.173)
NET INCOME / (LOSS) FROM CONTINUING OPERATIONS		**61.549**	**(106.996)**
DISCONTINUED OPERATIONS			
Loss after tax from discontinued operations	26	-	(21.385)
NET INCOME / (LOSS)		**61.549**	**(128.381)**
Net income / (loss) attributable to:			
Equity holders of the parent		61.529	(128.398)
Non-controlling interest		20	17
		61.549	**(128.381)**
Earning per share (Kr)	21	0,35	(0,72)

MİGROS TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2012

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

	(Not reviewed) 1 January - 31 March 2012	(Not reviewed) 1 January - 31 March 2011
Net income / (loss) for the period	**61.549**	**(128.381)**
Other comprehensive (loss) / income		
Currency translation differences	(6.417)	3.557
Cumulative translation differences reclassified due to foreign operations disposal	-	(5.989)
Other comprehensive loss for the period	**(6.417)**	**(2.432)**
Total comprehensive income for the period	**55.132**	**(130.813)**
Total comprehensive income attributable to:		
Equity holders of the parent	55.128	(130.862)
Non-controlling interest	4	49
	55.132	**(130.813)**

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 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		-	-	-	-	(2.464)	-	-	(128.398)	49	(130.813)
Balances at 31 March 2011		**178.030**	**678.233**	**(365)**	**385.856**	**4.576**	**27.312**	**70.541**	**(128.398)**	**555**	**1.216.340**
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		-	-	-	-	(6.401)	-	-	61.529	4	55.132
Balances at 31 March 2012		**178.030**	**678.233**	**(365)**	**385.856**	**12.468**	**27.312**	**(92.704)**	**61.529**	**480**	**1.250.839**

FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2012
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

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

	Notes	(Not reviewed) 1 January - 31 March 2012	(Not reviewed) 1 January - 31 March 2011
Operating activities:			
Net income/(loss) for the period from continuing operations		61.529	(107.013)
Net loss for the period from discontinued operations		-	(21.385)
Adjustments to reconcile net income to net cash provided / used by operating activities:			
Non-controlling interest		20	17
Depreciation and amortisation	5,6,7	31.484	29.664
Provision for employment termination benefits	12	4.066	5.055
Provision for unused vacation	11	4.732	5.094
Provision for litigation	11	3.467	3.612
Doubtful receivable provision	15	223	133
Income tax expense	18	4.420	11.269
Interest income	16	(16.856)	(8.792)
Interest expense	17	61.896	48.738
(Gain) / loss on sale of property, plant and equipment - net	15	(97)	2
Impairment of property, plant and equipment	6	3.362	-
Gain from sale of subsidiary		-	(993)
Fair value gain/ (loss) of derivative instruments	4	7.382	(24.990)
Unrecognised foreign exchange differences loss/ (gain) - net		(81.525)	153.486
Cash flows from operating activities before changes in operating assets and liabilities		**84.103**	**93.897**
Changes in operating assets and liabilities:			
Trade receivables		12.331	(100)
Inventories		2.617	29.770
Other current assets and other receivables		(19.911)	(12.394)
Other non current assets		641	3.930
Short-term trade payables		(42.590)	(140.537)
Other current payables and liabilities		(3.910)	60
Long-term trade payables		(422)	148
Employment termination benefits paid	12	(3.176)	(3.608)
Unused vacation paid	11	(1.010)	(2.979)
Income taxes paid		(5.077)	(725)
Compensations paid	11	(881)	(1.254)
Accrued interest		(850)	(119)
Net cash provided from operating activities of discontinued operations		-	19.573
Net cash provided/(used) from operating activities		**21.865**	**(14.338)**

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

FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2012
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

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

	Notes	(Not reviewed) 1 January - 31 March 2012	(Not reviewed) 1 January - 31 March 2011
Investing activities:			
Purchase of investment property	5	(44)	(24)
Purchases of property, plant and equipment		(25.615)	(21.264)
Purchase of intangible assets	7	(1.654)	(1.470)
Proceeds from sale of property, plant and equipment		382	7
Cash received due to sale of subsidiary		-	14.143
Interest received	16	17.706	8.911
Net cash used in investing activities of discontinued operations		-	(2.502)
Net cash used in investing activities		**(9.225)**	**(2.199)**
Financing activities:			
Bank borrowings paid		(340)	(477)
Interest paid		(24.918)	(13.334)
Net cash used in financing activities of discontinued operations		-	(3.870)
Net cash used in from financing activities		**(25.258)**	**(17.681)**
Cumulative translation adjustment		(742)	(424)
Net increase in cash and cash equivalents		(13.360)	(34.642)
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		**996.895**	**849.538**

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 as 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 31 March 2012, the Group operates in 764 stores (31 December 2011: 745) with a net retail space of 808.760 (31 December 2011: 797.761) square meters. Retail is the main business of the Group and constitutes 96,9% of gross sales (March, 2011: 96,2%).

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 16 May 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	March 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	(*)	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 – 31 March 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 except for the point indicated below:

The Group performed classifications over its prior period statement of income which are detailed in Note 26 in accordance with the Turkish Financial Reporting Standards 5 "Assets Classified As Held For Sale" ("TFRS 5").

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) <u>New and Revised IFRSs affecting presentation and disclosure only</u>

None.

b) <u>New and Revised IFRSs affecting the reported financial performance and / or balance sheet</u>

None.

c) <u>New and Revised IFRSs applied with no material effect on the consolidated financial statements:</u>

The following new and revised IFRSs have also 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.

(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)

Amendments to IAS 12 *Deferred Taxes – Recovery of Underlying Assets*

The amendment is effective for annual periods beginning on or after 1 January 2012. IAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 Investment Property. The amendment provides a practical solution to the problem by introducing a presumption that recovery of the carrying amount will, normally be, through sale. The Group represents its investment property after deducting the accumulated depreciation and if there is any, impairment loss from the cost amount of the investment property. Therefore, the amendment did not have any effect on the consolidated financial statements.

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) <u>New and Revised IFRSs in issue but not yet effective</u>

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.

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.

Key requirements of IFRS 9 are described as follows:

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.

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 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 (e.g. the Group's investments in redeemable notes that are currently classified as available-for-sale investments will have to be measured at fair value at the end of subsequent reporting periods, with changes in the fair value being recognized in profit or loss). 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.

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.

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 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. The application of these five standards may have significant impact on amounts reported in the consolidated financial statements. 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.

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.

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

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 therefore, 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 31 March 2012 is as follows:

a) Segment analysis for the period 1 January – 31 March 2012

	Turkey	**Other countries**	**Combined total**	**Intersegment elimination**	**Total**
External revenues	1.357.999	96.769	1.454.768	-	1.454.768
Inter segment revenues	393	-	393	(393)	-
Sales revenue	1.358.392	96.769	1.455.161	(393)	1.454.768
Cost of goods sold	(996.049)	(73.872)	(1.069.921)	393	(1.069.528)
Gross profit	362.343	22.897	385.240	-	385.240
Selling and marketing expenses	(256.268)	(12.702)	(268.970)	-	(268.970)
General administrative expenses	(49.071)	(7.659)	(56.730)	-	(56.730)
Addition: Depreciation and amortization	27.010	4.474	31.484	-	31.484
Addition: Employment termination benefit provisions	890	-	890	-	890
Addition: Paid employment termination benefits	3.176	-	3.176	-	3.176
Addition: Unused vacation provision	3.722	-	3.722	-	3.722
EBITDA	**91.802**	**7.010**	**98.812**	**-**	**98.812**

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

NOTE 3 - SEGMENT REPORTING (Continued)

b) Segment analysis for the period 1 January – 31 March 2011

	Turkey	Other countries	Combined total	Intersegment elimination	Total	Discontinued operations
External revenues	1.190.790	80.203	1.270.993	-	1.270.993	304.326
Inter segment revenues	829	-	829	(829)	-	-
Sales revenue	1.191.619	80.203	1.271.822	(829)	1.270.993	304.326
Cost of goods sold	(874.082)	(61.001)	(935.083)	829	(934.254)	(251.252)
Gross profit	317.537	19.202	336.739	-	336.739	53.074
Selling and marketing expenses	(222.040)	(10.624)	(232.664)	-	(232.664)	(64.873)
General administrative expenses	(43.922)	(6.914)	(50.836)	-	(50.836)	(5.336)
Addition: Depreciation and amortization	25.336	4.328	29.664	-	29.664	3.300
Addition: Employment termination benefit provisions	1.434	-	1.434	-	1.434	13
Addition: Paid employment termination benefits	2.753	-	2.753	-	2.753	855
Addition: Unused vacation provision	2.008	-	2.008	-	2.008	107
Addition: One-off costs due to Şok stores concept change	-	-	-	-	-	3.691
EBITDA	**83.106**	**5.992**	**89.098**	**-**	**89.098**	**(9.169)**

A reconciliation of EBITDA figure to income before tax is provided as follows:

	1 January-31 March 2012	1 January-31 March 2011
EBITDA, reported segments	98.812	89.098
Depreciation and amortisation	(31.484)	(29.664)
Employment termination benefit provision	(890)	(1.434)
Paid employment termination benefits	(3.176)	(2.753)
Unused vacation provision	(3.722)	(2.008)
Other operating income	3.947	2.434
Other operating expenses (-)	(10.706)	(4.487)
Operating profit	**52.781**	**51.186**
Financial income	98.485	57.184
Financial expense (-)	(85.297)	(204.097)
Income/(Loss) before tax	**65.969**	**(95.727)**

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

NOTE 4 - DERIVATIVE FINANCIAL INSTRUMENTS

Short-term derivative financial instruments

Short-term assets	31 March 2012	31 December 2011
Corridor options	1	-
CAP options	-	-
	1	**-**

Short-term liabilities	31 March 2012	31 December 2011
Forward foreign exchange contracts	27.541	22.591
	27.541	**22.591**

Long-term derivative financial instruments

Long-term assets	31 March 2012	31 December 2011
Corridor option	-	40
CAP option	-	3
	-	**43**

Long-term liabilities	31 March 2012	31 December 2011
Forward foreign exchange contracts	8.449	7.554
Interest swap contracts	7.285	5.791
	15.734	**13.345**

The Group entered into a number of forward currency exchange contracts with banks in order to hedge its exchange rate risk. As of the settlement date, the Group sells TL and purchases Euro at agreed strike prices. The fair values of the foreign exchange contracts as of 31 March 2012 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	35.990

The Group entered into the following interest rate swap, cap and corridor contracts with banks in order to hedge its interest rate risk. The contracts details and their fair values at 31 March 2012 are as follows:

Short-term 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	1
Cap	26 August 2009	31 May 2011	30 November 2012	125 million	-
					1

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

NOTE 4 - DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Long-term 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	2.488
Interest rate swap	6 October 2010	31 May 2011	30 November 2013	105 million	2.200
Interest rate swap	6 October 2010	31 May 2011	29 November 2013	53 million	1.277
Interest rate swap	6 October 2010	30 November 2011	30 November 2013	53 million	1.320
					7.285

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 contracts details and their fair values at 31 December 2011 are as follows:

Long-term 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 milyon	40
Cap	26 August 2009	31 May 2011	30 November 2012	125 milyon	3
					43

Long-term 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

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

NOTE 5 - INVESTMENT PROPERTY

	Opening 1 January 2012	Additions	Transfers from propert, plant and equipment	Cumulative translation differences	Closing 31 March 2012
Cost					
Land and buildings	71.979	44	-	(1.775)	70.248
Accumulated depreciation					
Buildings	(20.614)	(1.119)	-	241	(21.492)
Net book value	**51.365**				**48.756**

	Opening 1 January 2011	Additions	Transfers from propert, plant and equipment	Cumulative translation differences	Closing 31 March 2011
Cost					
Land and buildings	67.229	24	179	983	68.415
Accumulated depreciation					
Buildings	(15.036)	(1.227)	(22)	(133)	(16.418)
Net book value	**52.193**				**51.997**

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 31 March 2012, total investment property of the Group in Kazakhstan and Macedonia are 8.327 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.

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

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT

	Opening 1 January 2012	Additions	Disposals	Impairment loss (*)	Transfers	Disposals from sale of a subsidiary	Transfers to investments properties	Cumulative translation differences	Closing 31 March 2012
Cost									
Land and buildings	455.747	906	-	-	1.974	-	-	(2.243)	456.384
Leasehold improvements	425.670	3.006	-	(7.841)	3.179	-	-	(1.260)	422.754
Machinery and equipments	330.621	5.000	(1.323)	-	-	-	-	(1.635)	332.663
Vehichles	2.736	345	(264)	-	615	-	-	(26)	3.406
Furniture and fixture	170.053	2.806	(236)	-	-	-	-	(608)	172.015
Construction in progress	3.210	13.552	-	-	(5.768)	-	-	-	10.994
	1.388.037	**25.615**	**(1.823)**	**(7.841)**	**-**	**-**	**-**	**(5.772)**	**1.398.216**
Accumulated depreciation									
Buildings	(29.918)	(2.672)	-	-	-	-	-	282	(32.308)
Leasehold improvements	(122.215)	(9.079)	-	4.479	-	-	-	173	(126.642)
Machinery and equipments	(74.075)	(10.130)	1.249	-	-	-	-	749	(82.207)
Vehichles	(878)	(115)	79	-	-	-	-	6	(908)
Furniture and fixture	(42.070)	(4.207)	210	-	-	-	-	422	(45.645)
	(269.156)	**(26.203)**	**1.538**	**4.479**	**-**	**-**	**-**	**1.632**	**(287.710)**
	1.118.881								**1.110.506**

(*) Impairment loss amounted to net TL 3.362 consists of leasehold improvements of stores closed in 2012.

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

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 31 March 2011
Cost									
Land and buildings	471.028	67	-	-	20	(25.978)	(179)	1.288	446.246
Leasehold improvements	454.066	2.269	-	-	1.840	-	-	219	458.394
Machinery and equipments	345.138	3.086	(74)	-	3.215	(1.085)	-	492	350.772
Vehichles	2.778	-	-	-	-	(54)	-	15	2.739
Furniture and fixture	157.248	1.333	-	-	1.337	(1.170)	-	191	158.939
Construction in progress	8.110	18.109	-	-	(6.412)	(76)	-	-	19.731
	1.438.368	**24.864**	**(74)**	**-**	**-**	**(28.363)**	**(179)**	**2.205**	**1.436.821**
Accumulated depreciation									
Buildings	(26.170)	(2.674)	-	-	-	5.171	22	63	(23.588)
Leasehold improvements	(119.063)	(11.576)	-	-	-	-	-	(97)	(130.736)
Machinery and equipments	(65.931)	(10.307)	65	-	-	917	-	(460)	(75.716)
Vehichles	(463)	(124)	-	-	-	60	-	(3)	(530)
Furniture and fixture	(32.850)	(4.208)	-	-	-	973	-	14	(36.071)
	(244.477)	**(28.889)**	**65**	**-**	**-**	**7.121**	**22**	**(483)**	**(266.641)**
	1.193.891								**1.170.180**

(*) Disposal from sale of a subsidiary consists of sale of Group's Azerbaijan Ramstore.

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

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

NOTE 7 - INTANGIBLE ASSETS

	Opening 1 January 2012	Additions	Disposals	Disposals from sale of a subsidiary	Cumulative translation difference	Closing 31 March 2012
Cost						
Trademark (*)	202.175	-	-	-	-	202.175
Rent agreements (**)	32.982	-	-	-	-	32.982
Rights	29.105	1.654	(46)	-	33	30.746
Other intangible assets (***)	28.783	-	-	-	-	28.783
	293.045	**1.654**	**(46)**	**-**	**33**	**294.686**
Accumulated amortisation						
Rent agreements	(20.134)	(829)	-	-	-	(20.963)
Rights	(13.547)	(1.350)	65	-	(168)	(15.000)
Other intangible assets	(9.094)	(1.983)	-	-	-	(11.077)
	(42.775)	**(4.162)**	**65**	**-**	**(168)**	**(47.040)**
Net book value	**250.270**					**247.646**

	Opening 1 January 2011	Additions	Disposals	Disposals from sale of a subsidiary	Cumulative translation difference	Closing 31 March 2011
Cost						
Trademark (*)	253.068	-	-	-	-	253.068
Rent agreements (**)	32.982	-	-	-	-	32.982
Rights	20.975	1.470	-	(391)	32	22.086
Other intangible assets (***)	28.783	-	-	-	-	28.783
	335.808	**1.470**	**-**	**(391)**	**32**	**336.919**
Accumulated amortisation						
Rent agreements	(15.626)	(1.127)	-	-	-	(16.753)
Rights	(9.007)	(1.045)	-	161	(24)	(9.915)
Other intangible assets	(6.389)	(676)	-	-	-	(7.065)
	(31.022)	**(2.848)**	**-**	**161**	**(24)**	**(33.733)**
Net book value	**304.786**					**303.186**

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

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 has been amortised over the rent agreement period.

NOTE 8- INVENTORIES

	31 March 2012	31 December 2011
Raw materials	1.957	1.589
Work in progress	5.028	5.919
Merchandise stocks	666.463	667.851
Other	2.935	3.641
	676.383	**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 - 31 March 2012	1 January - 31 March 2011
Opening balance	**2.251.427**	**2.251.427**
Ending balance	**2.251.427**	**2.251.427**

NOTE 10 – FINANCIAL LIABILITIES

	31 March 2012			
	Weigted average interest rate	**USD**	**Euro**	**Total TL equivalent**
Current portion of long-term bank borrowings				
-with fixed interest rates	2,00%	-	127	301
-with floating interest rates	5,66%	-	21.181	50.123
Current portion of long-term bank borrowings		**-**	**21.308**	**50.424**
Long-term bank borrowings				
-with fixed interest rates	2,00%	-	496	1.175
-with floating interest rates	5,66%	-	1.052.681	2.491.064
Long-term bank borrowings		**-**	**1.053.177**	**2.492.239**
Total bank borrowings		**-**	**1.074.485**	**2.542.663**

The redemption schedule of long-term bank borrowings at 31 March 2012 is as follows:

	Euro	**TL**
1 April 2013 - 31 March 2014	58.106	137.501
1 April 2014 - 31 March 2015	163.957	387.987
1 April 2015 - 31 March 2016	199.064	471.065
1 April 2016 - 31 March 2017	234.171	554.142
1 April 2017 - 31 March 2018	257.452	609.234
1 April 2018 - 31 May 2018	140.427	332.310
	1.053.177	**2.492.239**

The fair value of bank borrowings at 31 March 2012 is TL 2.504.642.

The current portion of the long-term bank borrowings with floating interest rates in the table above only includes interest accruals.

(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)

	31 December 2011			
	Weigted average interest rate	**USD**	**Euro**	**Total TL equivalent**
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
Current portion of long-term bank borrowings		**179**	**5.506**	**13.796**
Long-term bank borrowings				
-with fixed interest rates	2,00%	-	496	1.212
-with floating interest rates	5,66%	-	1.052.681	2.572.542
Long-term bank borrowings		**-**	**1.053.177**	**2.573.754**
Total bank borrowings		**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.

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 31 March 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.

(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

Short-term provisions:

	31 March 2012	31 December 2011
Provision for litigation	22.046	19.460
Provision for unused vacation	37.767	34.045
	59.813	**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	3.612
Payments during the period	(1.254)
31 March 2011	**18.990**
1 January 2012	19.460
Increase during the period	3.467
Payments during the period	(881)
31 March 2012	**22.046**

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

1 January 2011	31.565
Increase during the period	5.094
Payments during the period	(2.979)
31 March 2011	**33.680**
1 January 2012	34.045
Increase during the period	4.732
Payments during the period	(1.010)
31 March 2012	**37.767**

(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 (Continued)

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

Collaterals, Pledges, Mortgages

31 March 2012				
Collaterals, Pledges, Mortgages	**Total TL Amount**	**TL**	**USD**	**Euro**
A. CPM given on behalf of the Company's own legal entity	56.701	55.805	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	**56.701**	**55.805**	**472**	**25**
Proportion of 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 own legal entity	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 CRM's to equity	**0,0%**			

(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 (Continued)

Commitments, contingent assets and liabilities (continued):

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

	31 March 2012	**31 December 2011**
Letters of guarantees given	56.701	56.872

b) Guarantees taken at 31 March 2012 and 31 December 2011 are as follows:

	31 March 2012	**31 December 2011**
Guarantees obtained from customers	97.498	92.019
Mortgages obtained from customers	17.302	17.072
	114.800	**109.091**

c) The future aggregate minimum lease payments under non-cancellable operating leases of land and stores are as follows. The amounts represent the total amount will be paid during the lease agreement. Moreover, with an early notice the stores can be closed before the contracts end.

	31 March 2012	**31 December 2011**
Payable within 1 year	20.850	21.688
Payable in 1 to 5 years	7.535	7.977
5 years and more	3.323	3.597
	31.708	**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 31 March 2012 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 31 March 2012 it is seen as a far possibility to be obliged to pay the alleged missing rent payments and overdue interest.

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

NOTE 12 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS

	31 March 2012	31 December 2011
Provision for employee termination benefits	11.406	10.516

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

1 January 2011	10.269
Increase during the period	5.155
Payments during the period	(3.608)
Actuarial loss	(100)
31 March 2011	**11.716**
1 January 2012	10.516
Increase during the period	5.009
Payments during the period	(3.176)
Actuarial loss	(943)
31 March 2012	**11.406**

NOTE 13 - REVENUE AND COST OF SALES

	1 January- 31 March 2012	1 January- 31 March 2011
Domestic sales	1.390.760	1.225.224
Foreign sales	97.056	80.167
	1.487.816	**1.305.391**
Other sales	2.162	1.490
	1.489.978	**1.306.881**
Less: Discounts and returns	(35.210)	(35.888)
Sales revenue -net	**1.454.768**	**1.270.993**
Cost of sales	(1.069.528)	(934.254)
Gross Profit	**385.240**	**336.739**

	1 January- 31 March 2012	1 January- 31 March 2011
Retail sales revenue	1.441.974	1.255.695
Rent income	18.710	25.539
Wholesale revenue	27.132	24.157
	1.487.816	**1.305.391**

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

NOTE 14 - EXPENSES BY NATURE

Total	**1 January - 31 March 2012**	**1 January - 31 March 2011**
Staff costs	129.700	110.356
Rent	66.095	55.858
Porterage and cleaning	9.214	7.794
Transportation	14.367	12.202
Depreciation and amortisation	31.484	29.664
Energy	21.732	19.855
Advertising	9.594	7.387
Repair, maintenance	5.003	4.665
Security	4.015	4.446
Warehouse	8.456	8.063
Taxes and other fees	2.199	3.425
Mechanisation	3.159	2.336
Communication	1.749	1.689
Other	18.933	15.760
	325.700	**283.500**

Marketing, selling and distribution expenses	**1 January - 31 March 2012**	**1 January - 31 March 2011**
Staff costs	110.248	94.163
Rent	65.978	55.839
Porterage and cleaning	8.881	7.586
Transportation	14.272	12.155
Energy	21.438	19.667
Advertising	9.594	7.387
Repair, maintenance	4.774	4.590
Security	3.877	4.366
Warehouse	8.456	8.063
Taxes and other fees	1.616	2.794
Mechanisation	2.488	1.772
Communication	1.333	1.267
Other	16.015	13.015
	268.970	**232.664**

General administrative expenses	**1 January - 31 March 2012**	**1 January - 31 March 2012**
Staff costs	19.452	16.193
Depreciation and amortisation	31.484	29.664
Other	5.794	4.979
	56.730	**50.836**

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

NOTE 14 - EXPENSES BY NATURE (Continued)

Expenses by nature in cost of sales for the periods 1 January – 31 March 2012 and 2011 are as follows:

	1 January- 31 March 2012	**1 January- 31 March 2011**
Cost of trade goods	(1.064.689)	(922.107)
Service costs	(4.839)	(12.147)
	(1.069.528)	**(934.254)**

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.

NOTE 15 - OTHER OPERATING INCOME / EXPENSE

Other operating expenses:	**1 January- 31 March 2012**	**1 January- 31 March 2011**
Losses from closed stores	(3.363)	-
Bad debt expense	(223)	(133)
Litigation expenses paid	(881)	(1.254)
Litigation provisions	(2.586)	(2.358)
Loss on sale of fixed assets	(207)	(27)
Other	(3.446)	(715)
	(10.706)	**(4.487)**

Other operating income:	**1 January- 31 March 2012**	**1 January- 31 March 2011**
Gain on sales of scrap goods	326	211
Provision write-off	66	954
Gain on sales of plant, property and equipment	304	25
Other	3.251	1.244
	3.947	**2.434**

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

NOTE 16 - FINANCIAL INCOME

	1 January- 31 March 2012	1 January- 31 March 2011
Interest income on bank deposits	10.101	5.142
Foreign exchange gains	81.629	22.716
Financial income on derivatives	-	25.557
Due date charges on term sales	6.755	3.650
Other financial income	-	119
	98.485	**57.184**

NOTE 17 - FINANCIAL EXPENSE

	1 January- 31 March 2012	1 January- 31 March 2011
Due date difference on term purchases	(24.790)	(13.334)
Foreign exchange losses	(14.815)	(153.684)
Interest expense on bank borrowings	(37.106)	(35.404)
Financial expense on derivatives	(7.381)	(567)
Other	(1.205)	(1.108)
	(85.297)	**(204.097)**

NOTE 18 - TAXES ON INCOME

	31 March 2012	31 December 2011
Taxes and funds payable	8.392	115.691
Less: Prepaid current income taxes	(2.702)	(113.170)
Tax on income, net (*)	**5.690**	**2.521**

	31 March 2012	31 December 2011
Deferred tax assets	27.406	25.558
Deferred tax liabilities	(128.666)	(130.904)
	(101.260)	**(105.346)**

The Group is subject to Turkish corporate taxes. Based on the financial statements, the Group sets provisions for the estimated taxes for the current period. Turkish tax legislation allows parent company to claim tax return based on the consolidated financial statements. For all the companies stated in consolidated financial statements, tax liabilities are calculated separately and reflected for the tax liabilities in consolidated financial statements

In Turkey, corporation tax rate for the year 31 March 2012 is 20% (2011: 20%).

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

NOTE 18 - TAXES ON INCOME (Continued)

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.

The details of taxation on income for the periods ended 31 March 2012 and 2011 are as follows:

	1 January-31 March 2012	**1 January-31 March 2011**
Current period tax expense	(8.392)	(10.096)
Deferred tax income / (expense)	3.972	(1.173)
	(4.420)	**(11.269)**

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 2010: 20%, 20%, 10% and 10% respectively).

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

NOTE 18 - TAXES ON INCOME (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 31 March 2012 and 31 December 2011 using the currently enacted tax rates, is as follows:

	Cumulative temporary differences		Deferred income tax assets / (liabilities)	
	31 March 2012	**31 December 2011**	**31 March 2012**	**31 December 2011**
Fair value change of derivative instruments	43.275	35.936	8.655	7.187
Expense accruals and provisions	59.813	53.505	11.963	10.701
Inventories	17.685	16.038	3.537	3.208
Provision for employment termination benefits	11.406	10.516	2.281	2.103
Unincurred interest income	262	328	52	66
Other	4.589	11.466	918	2.293
Deferred income tax assets			**27.406**	**25.558**
Fair value change of derivative instruments	1	43	-	9
Property, plant and equipment and intangible assets	659.897	664.118	124.555	125.360
Unincurred interest expense	14.466	15.699	2.893	3.140
Other	6.089	11.975	1.218	2.395
Deferred income tax liability			**128.666**	**130.904**
Total deferred income tax liability, net			**(101.260)**	**(105.346)**

	31 March 2012	**31 December 2011**
Deferred income tax assets:		
Deferred income tax asset to be recovered after more than 12 months	5.428	4.772
Deferred income tax asset to be recovered within 12 months	21.978	20.786
	27.406	25.558
Deferred income tax liabilities:		
Deferred income tax liability to be settled after more than 12 months	(124.556)	(125.369)
Deferred income tax liability to be settled within 12 months	(4.110)	(5.535)
	(128.666)	(130.904)
Deferred tax liabilities (net)	**(101.260)**	**(105.346)**

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

NOTE 18 - TAXES ON INCOME (Continued)

	Deferred income tax liability
1 January 2011	(118.411)
Current period deferred tax income	(1.173)
Discontinued operations deferred tax income (Note 26)	(2.471)
Disposal from the sale of subsidiary	3.105
Cumulative translation difference	(12)
31 March 2011	**(118.962)**
1 January 2012	(105.346)
Current period deferred tax expense	3.972
Cumulative translation difference	114
31 March 2012	**(101.260)**

NOTE 19 - EQUITY

Share Capital

As of 31 March 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 31 March 2012 and 31 December 2011 are stated below:

	31 March 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	**178.030**	**100**	**178.030**

(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

(i) Balances with related parties

Due from related parties:	**31 March 2012**	**31 December 2011**
Mavi Jeans Giyim Sanayi ve Tic. A.Ş.	4	4
Tekin Acar Büyük Mağazacılık T.A.Ş.	6	6
Provus Bilişim Hizmetleri A.Ş.	19	-
Total due from related parties	**29**	**10**

Due to related parties:	**31 March 2012**	**31 December 2011**
Sanal Merkez T.A.Ş.	641	226
Other	1.135	1.139
Total due to related parties	**1.776**	**1.365**

ii) Transactions with related parties

	1 January- 31 March 2012	**1 January- 31 March 2011**
Non-current asset purchase:		
Sanal Merkez T.A.Ş	-	1
	-	**1**
Service purchases:		
Sanal Merkez T.A.Ş.	-	1
	-	**1**

(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)

iii) Other transactions with related parties:

	1 January-31 March 2012	1 January-31 March 2011
Rent income	171	349
	171	**349**

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 31 March 2012 and 2011 is as follows:

	1 January-31 March 2012	1 January-31 March 2011
Short-term benefits to employees	2.884	3.661
	2.884	**3.661**

At 31 March 2012 and 2011, an interim period of 3 months, compensation paid or payable consists of benefits,salaries, premiums, individual pension premiums, vehicle rents and SSI and employer shares and Board of Directors attendance fees..

NOTE 21 - EARNINGS / (LOSS) PER SHARE

	1 January-31 March 2012	1 January-31 March 2011
Net income / (loss) attributable to the shareholders	61.529	(128.398)
Weighted average number of shares with Kr 1 face value each ('000)	17.803.000	17.803.000
Earnings / (loss) per share (Kr)	**0,35**	**(0,72)**

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 31 March 2012, if Euro had appreciated against TL by 5 % and all other variables had remained constant, the loss 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 more in the amount of TL 106.462

(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)

	31 March 2012			
		Original Currencies		
	Total TL equivalent	**USD**	**Euro**	**Other Currency**
Assets:				
Cash and cash equivalents	442.035	7.786	175.996	11.754
Trade receivables	4.422	539	28	3.400
Other current assets	10.637	1.586	-	7.825
Total current assets	**457.094**	**9.911**	**176.024**	**22.979**
Other non-current assets	-	-	-	-
Total non-current assets	**-**	**-**	**-**	**-**
Total assets	**457.094**	**9.911**	**176.024**	**22.979**
Short-term borrowings	50.424	-	21.308	-
Trade payables (net)	5.443	818	87	3.787
Other current liabilities	5.328	282	1.230	1.917
Total current liabilities	**61.195**	**1.100**	**22.625**	**5.704**
Long term financial liabilities	2.492.239	-	1.053.177	-
Total non-current liabilities	**2.492.239**	**-**	**1.053.177**	**-**
Total liabilities	**2.553.434**	**1.100**	**1.075.802**	**5.704**
Net balance sheet foreign currency position	**(2.096.340)**	**8.811**	**(899.778)**	**17.275**
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	**(2.096.340)**	**8.811**	**(899.778)**	**17.275**
Export	-	-	-	-
Import	18.108	10.228	-	-
Fair value of hedged funds of foreign currency	35.990	-	-	-
Hedged amount of foreign currency assets	-	-	-	-
Hedged amount of foreign currency liabilities	109.186	-	46.140	-

(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)

	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**
Short-term borrowings	13.796	179	5.506	-
Trade payables (net)	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**
Long term 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	-	-	-
Hedged 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.)
(Currencies other than TL are expressed in thousands unless otherwise indicated.)

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

31 March 2012

	Gain/Loss	
	Foreign exchange appreciation	**Foreign exchange depreciation**
5% change in Euro Exchange rate		
Euro net asset/liability	(106.462)	106.462
Portion secured from Euro risk	-	-
Euro net effect	(106.462)	106.462

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.

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

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 sell 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.

The table below shows income statement for the interim period, 1 January 2011 – 31 March 2011, related to operations which is disposed in the year 2011.

	1 January- 31 March 2011
Revenue (net)	304.326
Cost of sales (-)	(251.252)
Marketing, selling and distribution expenses (-)	(64.873)
General administrative expenses (-)	(5.336)
Financial income	1.098
Financial expense (-)	(3.870)
Loss before tax	**(19.907)**
Tax loss	(2.471)
Net loss from discontinued operations before the gain from sale of subsidiary	**(22.378)**
Gain from sale of subsidiary	993
Net loss	**(21.385)**