MİGROS TİCARET A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2015

(ORIGINALLY ISSUED IN TURKISH)

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

MİGROS TİCARET A.Ş.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF SEPTEMBER, 2015

MİGROS TİCARET A.Ş.

CONSOLIDATED BALANCE SHEETS AS OF 30 SEPTEMBER 2015, 31 DECEMBER 2014 AND 31 DECEMBER 2013

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

	Notes	30 September 2015	***Restated*** **31 December 2014**	***Restated*** **31 December 2013**
ASSETS				
Current Assets:				
Cash and cash equivalents		1.111.666	689.074	1.038.329
Financial investments		-	-	9.726
Trade receivables				
Trade receivables from related parties	21	135	44	55
Trade receivables from third parties		57.705	47.803	48.340
Other receivables from third parties		5.877	7.672	2.285
Derivative financial instruments	4	7.763	874	879
Inventories	8	1.013.048	949.977	841.228
Prepaid expenses		37.465	27.173	28.635
Other current assets		2.923	672	1.235
Total current assets		**2.236.582**	**1.723.289**	**1.970.712**
Non-current assets:				
Financial investments		1.165	1.695	1.695
Other receivables from third parties		1.917	1.691	1.434
Derivative financial instruments	4	941	9	70
Investment properties	5	61.393	47.493	46.267
Property, plant and equipment	6	1.288.683	1.287.301	1.233.665
Intangible assets				
Goodwill	9	2.251.427	2.251.427	2.251.427
Other intangible assets	7	159.035	249.417	249.581
Prepaid expenses		17.247	18.265	31.769
Total non-current assets		**3.781.808**	**3.857.298**	**3.815.908**
Total assets		**6.018.390**	**5.580.587**	**5.786.620**

MİGROS TİCARET A.Ş.

CONSOLIDATED BALANCE SHEETS AS OF 30 SEPTEMBER 2015, 31 DECEMBER 2014 AND 31 DECEMBER 2013

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

	Notes	30 September 2015	*Restated* 31 December 2014	*Restated* 31 December 2013
LIABILITIES				
Current liabilities:				
Short term portion of long term borrowings	10	205.854	633.801	491.973
Trade payables				
Trade payables to related parties	21	192.896	1.170	734
Trade payables to third parties		2.097.634	1.895.217	1.685.229
Employee benefits payables		49.272	43.528	34.909
Other payables to third parties		40.846	44.186	33.291
Derivative financial instruments	4	580	2.229	-
Deferred income		19.593	19.646	3.612
Taxes on income	19	22.820	3.115	18.327
Short term provisions				
Short term provisions for employee benefits	12	73.459	62.984	52.577
Other short term provisions	11	80.501	72.058	22.430
Other current liabilities		4.255	1.834	17.587
Total current liabilities		**2.787.710**	**2.779.768**	**2.360.669**
Non-current liabilities:				
Long term borrowings	10	2.619.355	1.718.988	2.440.568
Other payables to third parties		3.452	2.963	3.244
Derivative financial instruments		-	-	869
Deferred income		1.058	1.551	2.250
Long term provisions				
Long term provisions for employee benefits	12	64.447	55.848	43.954
Deferred tax liabilities	19	91.251	112.630	112.854
Total non-current liabilities		**2.779.563**	**1.891.980**	**2.603.739**
Total liabilities		**5.567.273**	**4.671.748**	**4.964.408**
EQUITY				
Attributable to equity holders of parent		**450.427**	**908.285**	**821.521**
Share capital	20	178.030	178.030	178.030
Other capital reserves		(365)	(365)	(365)
Additional contribution to share capital	20	27.312	27.312	27.312
Share premium		678.233	678.233	678.233
Other comprehensive income / expense not to be classified to profit or loss				
defined benefit plans re-measurement (losses) / gains		(10.539)	(11.347)	(12.839)
Other comprehensive income / expense to be classified to profit or loss				
Currency translation differences		27.047	30.196	41.122
Restricted reserves		504.766	504.766	504.766
Accumulated losses		(498.540)	(594.738)	(123.551)
Net (loss) / income		(455.517)	96.198	(471.187)
Non-controlling interest		**690**	**554**	**691**
Total equity		**451.117**	**908.839**	**822.212**
Total liabilities and equity		**6.018.390**	**5.580.587**	**5.786.620**

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

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

MİGROS TİCARET A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2015 AND 2014

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

	Notes	1 January 30 September 2015	1 July - 30 September 2015	*Restated* 1 January - 30 September 2014	*Restated* 1 July - 30 September 2014
Revenue	3, 13	7.011.536	2.642.306	6.032.264	2.294.568
Cost of sales (-)	3, 13, 14	(5.134.874)	(1.932.233)	(4.430.428)	(1.684.924)
Gross profit	**3, 13**	**1.876.662**	**710.073**	**1.601.836**	**609.644**
General administrative expenses (-)	14	(226.402)	(78.677)	(200.080)	(68.433)
Marketing, selling and distribution expenses (-)	14	(1.366.216)	(499.272)	(1.158.125)	(427.322)
Other operating income	15	60.016	30.803	44.614	15.075
Other operating expense (-)	15	(128.373)	(48.626)	(107.968)	(39.071)
Operating profit	**3**	**215.687**	**114.301**	**180.277**	**89.893**
Income from investment activities	16	863	316	773	136
Expenses from investment activities (-)	16	(117.059)	(113.246)	(2.871)	(117)
Operating income before finance income / (expense)	**3**	**99.491**	**1.371**	**178.179**	**89.912**
Financial income	17	49.696	40.365	55.423	1.401
Financial expense (-)	18	(575.584)	(375.137)	(116.064)	(31.697)
Net (loss) / income before tax from continuing operations		**(426.397)**	**(333.401)**	**117.538**	**59.616**
Tax expense from continuing operations	**19**	**(29.115)**	**(8.258)**	**(44.529)**	**(26.199)**
- Income tax expense (-)		(53.371)	(27.068)	(46.349)	(24.857)
- Deferred tax income / (expense)		24.256	18.810	1.820	(1.342)
Net (loss) / income		**(455.512)**	**(341.659)**	**73.009**	**33.417**
Net income / (loss) attributable to:					
- Non-controlling interest		5	2	13	(2)
- Equity holders of parent		(455.517)	(341.661)	72.996	33.419
(Loss) / earning per share	**22**	**(2,56)**	**(1,92)**	**0,41**	**0,19**

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

MİGROS TİCARET A.Ş.

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2015 AND 2014

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

	1 January - 30 September 2015	1 July- 30 September 2015	Restated 1 January - 30 September 2014	Restated 1 July - 30 September 2014
Net (loss) / income for the period	**(455.512)**	**(341.659)**	**73.009**	**33.417**
Other comprehensive income / (loss):				
Items to be reclassified to profit or loss				
Currency translation differences	(3.018)	(13.808)	(13.830)	4.718
Items not to be reclassified to profit or loss				
Defined benefit plan re-measurement gains / (losses)	808	808	-	-
Other comprehensive income / (loss), after tax	**(2.210)**	**(13.000)**	**(13.830)**	**4.718**
Total comprehensive (loss) / income	**(457.722)**	**(354.659)**	**59.179**	**38.135**
Total comprehensive (loss) / income attributable to:				
Non-controlling interests	136	85	(158)	(169)
Equity holders of parent	(457.858)	(354.744)	59.337	38.304

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2015 AND 2014

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

					Other comprehensive income / expenses not to be reclassified to profit or loss	Other comprehensive income / expenses to be reclassified to profit or loss		Retained earnings				
	Share capital	Other capital reserves	Additional contribution to share capital	Share premium	Defined benefit plans re-measurement (losses) / gains	Cumulative translation differences	Restricted reserves	Accumulated losses	Net (loss) / income for the period	Attributable to equity holders of the parent	Non - controlling interests	Total equity
Balances at 31 December 2013 (Previously reported)	**178.030**	**(365)**	**27.312**	**678.233**	**(12.839)**	**41.122**	**504.766**	**(123.551)**	**(463.175)**	**829.533**	**691**	**830.224**
Effect of restatement (Note 2.5)	-	-	-	-	-	-	-	-	(8.012)	(8.012)	-	(8.012)
Balances at 1 January 2014 (Restated)	**178.030**	**(365)**	**27.312**	**678.233**	**(12.839)**	**41.122**	**504.766**	**(123.551)**	**(471.187)**	**821.521**	**691**	**822.212**
Transfers	-	-	-	-	-	-	-	(471.187)	471.187	-	-	-
Total comprehensive income / (loss)	-	-	-	-	-	(13.659)	-	-	72.996	59.337	(158)	59.179
Net income / (loss) for the period	-	-	-	-	-	-	-	-	72.996	72.996	13	73.009
Cumulative translation differences	-	-	-	-	-	(13.659)	-	-	-	(13.659)	(171)	(13.830)
Balances at 30 September 2014	**178.030**	**(365)**	**27.312**	**678.233**	**(12.839)**	**27.463**	**504.766**	**(594.738)**	**72.996**	**880.858**	**533**	**881.391**
Balances at 31 December 2014 (Previously reported)	**178.030**	**(365)**	**27.312**	**678.233**	**(11.347)**	**30.196**	**504.766**	**(586.726)**	**98.513**	**918.612**	**554**	**919.166**
Effect of restatement (Note 2.5)	-	-	-	-	-	-	-	(8.012)	(2.315)	(10.327)	-	(10.327)
Balances at 1 January 2015 (Restated)	**178.030**	**(365)**	**27.312**	**678.233**	**(11.347)**	**30.196**	**504.766**	**(594.738)**	**96.198**	**908.285**	**554**	**908.839**
Transfers	-	-	-	-	-	-	-	96.198	(96.198)	-	-	-
Total comprehensive (loss) / income	-	-	-	-	808	(3.149)	-	-	(455.517)	(457.858)	136	(457.722)
Net income / (loss) for the period	-	-	-	-	-	-	-	-	(455.517)	(455.517)	5	(455.512)
Cumulative translation differences	-	-	-	-	-	(3.149)	-	-	-	(3.149)	131	(3.018)
Defined benefit plans re-measurement (losses) / gains	-	-	-	-	808	-	-	-	-	808	-	808
Balances at 30 September 2015	**178.030**	**(365)**	**27.312**	**678.233**	**(10.539)**	**27.047**	**504.766**	**(498.540)**	**(455.517)**	**450.427**	**690**	**451.117**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2015 AND 2014

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

	Notes	1 January - 30 September 2015	*Restated* 1 January - 30 September 2014
Cash flows from operating activities:			
Net (loss) / income for the period		(455.512)	73.009
Adjustments related to reconciliation of profit / (loss):			
Depreciation and amortisation	14	132.353	117.646
Provision for employment termination benefits	12	25.927	25.335
Provision for unusued vacation	12	15.634	14.402
Provision for litigation	11	3.493	4.974
Provision for doubtful receivable	15	2.396	2.101
Income tax expense	19	29.115	44.529
Provision for tax penalty interest	11	5.932	-
Interest income	15, 17	(48.157)	(49.009)
Interest expense	15, 18	214.020	188.448
Impairment on subsidiaries	16	530	-
Foreign exchange losses / (gains) related to bank borrowings		440.529	(48.505)
Fair value (gains) / losses arising from derivatives	17, 18	(7.538)	8.146
(Loss) / gain on sale of property plant and equipment	16	781	671
Impairment on property, plant and equipment	16	114.885	1.427
		474.388	**383.174**
Changes in working capital:			
Trade receivables		(12.389)	(14.145)
Inventories		(63.071)	(88.793)
Other receivables related with operations		(9.956)	(1.530)
Trade payables		394.143	316.504
Other payables related with operations		6.867	14.356
		789.982	**609.566**
Cash flows from operating activities:			
Employement termination benefits paid	12	(16.318)	(14.643)
Unused vacation paid	12	(5.159)	(5.802)
Interest received		47.115	42.224
Interest paid		(112.987)	(93.627)
Taxes paid		(33.666)	(46.211)
Compensations paid	11	(3.086)	(2.678)
Net cash provided by operating activities		**665.881**	**488.829**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2015 AND 2014

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

	Notes	1 January - 30 September 2015	*Restated* 1 January - 30 September 2014
Cash flows from investing activities:			
Cash outflows from the purchase of investment properties, tangible and intangible assets	5, 6, 7	(172.133)	(142.955)
Cash inflows from the sale of tangible assets	6, 16	1.443	1.547
Net cash used in investing activities		**(170.690)**	**(141.408)**
Cash flows from financing activities			
Cash outflows from financial liabilities		(17.860)	(233.172)
Cash paid with respect to derivative instruments		(1.932)	(3.995)
Interest received		1.042	6.785
Interest paid		(51.282)	(65.234)
Adjustment for increasing in financial investments		-	(529)
Net cash used in financing activities		**(70.032)**	**(296.145)**
Impact of foreign currency translation differences on cash and cash equivalents		**(2.567)**	**(5.569)**
Net increase in cash and cash equivalents		422.595	45.707
Cash and cash equivalents at the begining of period		**689.074**	**1.038.329**
Cash and cash equivalents at the end of period		**1.111.666**	**1.084.036**

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 TRL 1.922.440 subsequent to the approval of the Competition Board. As of 31 December 2008, Moonlight increased its shares in Migros to 97,92% through 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 TRL 174.323.340 to TRL 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 TRL 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.

The Company and its subsidiaries together will be referred as "the Group".

MH Perakendecilik ve Ticaret A.Ş ("MH") transfered its Migros Ticaret A.Ş shares with the nominal value of TRL 27.371.000 to its parent company, Moonlight Capital S.A., in exchange for TRL 26 per share on 13 November 2014. MH Perakendecilik ve Ticaret A.Ş. ("MH") transfered its Migros Ticaret A.Ş shares with the nominal value of TRL 26.937.336 to its parent company, Moonlight Capital S.A., in exchange for TRL 26 per share on 31 December 2014. As a result of these transactions, as of 31 December 2014, the shareholding of "MH" and Moonlight Capital S.A. are 50,00% and 30,51%, respectively.

On 15 July 2015 Moonlight Capital S.A. sold 80,50% of the shares of MH Perakendecilik ve Ticaret A.Ş. which holds %50 of Migros Ticaret A.Ş. shares to Anadolu Endüstri Holding A.Ş. ("AEH") With this transaction, the total shares directly and indirectly held by Moonlight Capital S.A. in the capital of the Company has decreased to 40,25% and the shares indirectly held by AEH in the Company have reached 40,25% as of July 15, 2015.

The Company is mainly engaged in the retail sales of food and beverages, consumer and durable goods through its Migros, M-Jet, 5M, Tansaş, M-Jet 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 September 2015, the Group operates in 1.352 stores in total (31 December 2014: 1.190) which comprise 1.342 retail stores and 10 wholesale stores with a total net space of 996.116 m^2 (31 December 2014: 952.615 m^2) including 988.757 m^2 for retail and 7.359 $m^2$for wholesale. Retail is the main business segment of the Group and constitutes almost 97% of gross sales (30 September 2014: 97%).

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

The address of the registered office is as follows:

Atatürk Mah., Turgut Özal Blv.,
No: 7 Ataşehir İstanbul

These consolidated financial statements have been approved for issue by the Board of Directors ("BOD") on 6 November 2015 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.

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:

Subsidiaries	Country of incorporation	Geographical segment	Nature of business	September 2015 %	December 2014 %
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	Dormant	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 Basis of Presentation

Statement of Compliance

The Group companies which operate in Turkey, keep their accounting books and their statutory financial statements in Turkish Lira in accordance with the Generally Accepted accounting principals by the Capital Markets Board (CMB), Turkish Commercial Code, Tax Legislation and the uniform Chart of Accounts issued by the Ministry of Finance. The foreign subsidiaries keep their accounting books and statutory financial statements in their local currencies and in accordance with the rules and regulations of the countires in which they operate.

The condensed consolidated financial statements are based on the statutory financial statements of the Group's subsidiaries and presented in Turkish Lira in accordance with the CMB financial reporting standards with certain adjustments and reclassifications for the purpose of fair presentation. Such adjustments are primarily related to application of consolidation accounting, accounting for deferred taxes on temporary differences, accounting for employment termination benefits on an actuarial basis and accruals for various expenses. Except for the financial assets carried from their fair values and assets and liabilities, financial statements are prepared on historical cost basis.

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

2.1 Basis of Presentation (Continued)

In accordance with the CMB's "Communiqué on Financial Reporting in Capital Market" Numbered II -14.1 (Communiqué), promulgated in the Official Gazette numbered 28676 dated June 13, 2013, effective from interim periods begining after June 30, 2013, listed companies required to prepare their financial statements in conformity with Turkey Accounting / Financial Reporting Standards (TAS / TFRS) as prescribedin the CMB Communiqué. The financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué.

In the scope of the CMB's "Communiqué on Financial Reporting in Capital Market" Numbered II- 14.1 (Communiqué), the Group has prepared condensed consolidated interim financial statements in accordance with TAS 34 "Interim Financial Reporting". The financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué.

In accordance with the TAS, the entities are allowed to prepare a complete set of interim financial statements in accordance with TAS 34, "Interim Financial Reporting". In this respect the Group has preferred to prepare condensed consolidated financail statements in the interim periods and prepared the aforementioned condensed consolidated financial statements in comliance with CMB Financial Reporting Standards.

Furthermore in accordance with the Communiqué and announcements regarding the explanations of the Communiqué, guarantee pledge, mortgage table, foreign currency position table, total export and total import amounts and hedging amount of total foreign currency liabilities are presented in the condensed consolidated financial statements disclosures (Note 11, 23).

Functional and reporting currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The condensed consolidated financial statements are presented in TRL, which is the functional currency of Migros Ticaret A.Ş. and the reporting currency of the Group.

Restatement of the financial statements in Hyperinflationary periods

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, TAS 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.

2.2. Changes in the Accounting Policies

Significant changes in accounting policies are applied retrospectively and prior period financial statements are restated.

The condensed consolidated interim financial statements for the period ended September 30, 2015 have been prepared in accordance with the accounting policies consistent with the accounting policies used in the preparation of annual consolidated financial statements for the year ended December 31, 2014. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2014.

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

2.3. Changes in the Accounting Estimates and Errors

The effect of changes in accounting estimates affecting the current period is recognised in the current period; the effect of changes in accounting estimates affecting current and future periods is recognised in the current and future periods. The Group did not have any major changes in the accounting estimates during the current year.

Significant accounting errors are corrected retrospectively by restating the prior period consolidated financial statements.

2.4 New and Revised Turkish Accounting Standards

a) The new standards, amendments to published standards and interpretations effective applicable as of 30 September 2015

- Amendment to TAS 19 regarding defined benefit plans, effective from annual periods beginning on or after 1 July 2014. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

- Annual improvements 2010 - 2012; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2010-2012 cycle of the annual improvements project that affect 7 standards:

  - TFRS 2, "Share-based payment"
  - TFRS 3, "Business Combinations"
  - TFRS 8, "Operating segments"
  - TFRS 13, "Fair value measurement"
  - TAS 16, "Property, plant and equipment" and TAS 38,'Intangible assets'
  - TFRS 9, "Financial instruments", TAS 37, "Provisions, contingent liabilities and contingent assets", and
  - TAS 39, "Financial instruments - Recognition and measurement"

- Annual improvements 2011 - 2013; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2011-2012-2013 cycle of the annual improvements project that affect 4 standards:

  - TFRS 1, "First time adoption"
  - TFRS 3, "Business combinations"
  - TFRS 13, "Fair value measurement"
  - TAS 40, "Investment property".

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

2.4 New and Revised Turkish Accounting Standards (Contined)

b) Standards and amendments issued but not yet effective as of 30 September 2015:

- Amendment to TFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation, effective from annual periods beginning on or after 1 January 2016. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.

- Amendments to TAS 16 'Property, plant and equipment', and TAS 41, 'Agriculture', regarding bearer plants, effective from annual periods beginning on or after 1 January 2016. These amendments change the financial reporting for bearer plants, such as grape vines, rubber trees and oil palms. It has been decided that bearer plants should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of TAS 16, instead of TAS 41. The produce growing on bearer plants will remain within the scope of TAS 41.

- Amendment to TAS 16, 'Property, plant and equipment' and TAS 38, 'Intangible assets', on depreciation and amortisation, effective from annual periods beginning on or after 1 January 2016. In this amendment, it has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. It is also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

- TFRS 14 'Regulatory deferral accounts', effective from annual periods beginning on or after 1 January 2016. TFRS 14, 'Regulatory deferral accounts' permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt TFRS. However, to enhance comparability with entities that already apply TFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items.

- TAS 27 "Separate financial statements "; effective from annual periods beginning on or after 1 January 2016. These amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

- Amendments to TFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures', effective from annual periods beginning on or after 1 January 2016. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

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

2.4 New and Revised Turkish Accounting Standards (Contined)

- Annual improvements 2014, effective from annual periods beginning on or after 1 January 2016. These set of amendments impacts 4 standards:

    - TFRS 5, "Non-current assets held for sale and discontinued operations" regarding methods of disposal.
    - TFRS 7, "Financial instruments: Disclosures", regarding servicing contracts.
    - TAS 19, "Employee benefits" regarding discount rates.
    - TAS 34, 'Interim financial reporting' regarding disclosure of information.

- TAS 1 "Presentation of Financial Statements"; effective from annual periods beginning on or after 1 January 2016. These amendments address to improve the presentation and disclosure of financial statements.

- TFRS 10 "Consolidated Financial Statements" and TAS 28 "Investments in Associates and Joint Ventures"; effective from annual periods beginning on or after 1 January 2016. These amendments clarify to address issues that have arisen in the context of applying the consolidation exception for investment entities and their subsidiaries.

- TFRS 15 'Revenue from contracts with customers', effective from annual periods beginning on or after 1 January 2018. TFRS 15, 'Revenue from contracts with customers' is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally.

- TFRS 9 'Financial instruments', effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

As the date of financial statements approval, following standards, interpretations and changes has been published as draft by the POAASA.

- TFRS 9 "Financial instruments"
- TFRS 15 "Revenue from contracts with customers"

Group will evaluate the effects of new and revised standards and interpretations on its operations and will be implemented after its effective date.

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

2.5 Comparative information and restatement of prior period financial statements

Group's consolidated financial statements have been prepared in comparison with the previous period in order to give accurate trend analysis regarding the financial position and performance. Where necessary, comparative figures have been reclassified to conform to the presentation of the current period consolidated financial statements and significant changes are explained.

In accordance with the systematical improvements, the Group has reviewed its prior years inventory valuation method and started to use the "weighted average cost method" while the cost of inventory was previously being calculated over the latest purchase cost. Within the context of TMS 8 "Accounting Policies, Accounting Estimates and Errors", the Group has retrospectively restated its financial statements. TMS 1 (Revised) "Presentation of Financial Statements" requires when an entity makes a retrospective restatement of items in its financial statements, it shall present, as a minimum, three statements of financial position, two of each of the other statements, and related notes.

Accordingly, the Group has presented its consolidated balance sheets with the comparative financial information at 31 December 2014 and 2013.

The effects of restatement on accumulated losses and net income as of 30 September 2015 is as follows:

		31 December 2014	
	Previously reported	Effect of restatement	Restated
Inventories	962.885	(12.908)	949.977
Deferred tax liabilities	(115.211)	2.581	(112.630)
Net income	98.513	(2.315)	96.198
Accumulated losses	(586.726)	(8.012)	(594.738)

		31 December 2013	
	Previously reported	Effect of restatement	Restated
Inventories	851.243	(10.015)	841.228
Deferred tax liabilities	(114.857)	2.003	(112.854)
Net loss	(463.175)	(8.012)	(471.187)

The following reclassifications have been made by the Group management in the 31 December 2014 balance sheet with the purpose of comparable presentation with the condensed consolidated financial statements as of 30 September 2015;

Bank borrowings amounting to TRL 63.838 which were accounted for under "Long term borrowings" have been classified into "Short term portion of long term borrowings".

Prepaid rent expenses amounting to TRL 6.963 which were accounted for under "Long term prepaid expenses" have been classified into "Short term prepaid expenses account.

Unearned revenues which related to gift cards amounting to TRL 15.528 which were accounted for under "Other current liabilities" have been classified into "Deferred income".

Liabilities related to customer loyalty programs amounting to TRL 977 which were accounted for under "Other current liabilities" have been classified into "Short term provision".

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NOTE 3 - SEGMENT REPORTING

Management determines the operating segments based on the reports analyzed and found effective in strategic decision making by the Board of Directors.

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" and Earning Before Interest, Tax, Depreciation, Amortisation and Rent, "EBITDAR".

The segment information provided to the board of directors as of 30 September 2015 is as follows:

a) Segment analysis for the period 1 January - 30 September 2015

	Turkey	Other countries	Combined total	Intersegment eleminations	Total
External revenues	6.679.588	331.948	7.011.536	-	7.011.536
Inter segment revenues	2.777	-	2.777	(2.777)	-
Sales revenue	6.682.365	331.948	7.014.313	(2.777)	7.011.536
Cost of sales	(4.884.353)	(253.298)	(5.137.651)	2.777	(5.134.874)
Gross profit	1.798.012	78.650	1.876.662	-	1.876.662
Marketing, selling and distribution expenses	(1.308.702)	(57.514)	(1.366.216)	-	(1.366.216)
General administrative expenses	(195.818)	(30.584)	(226.402)	-	(226.402)
Addition: Depreciation and amortisation expenses	116.939	15.414	132.353	-	132.353
Addition: Provision for employement termination benefits	9.609	-	9.609	-	9.609
Addition: Employemet termination benefits paid	16.318	-	16.318	-	16.318
Addition: Unused vacation pay liability	10.475	-	10.475	-	10.475
EBITDA	**446.833**	**5.966**	**452.799**	**-**	**452.799**
Addition: Rent expenses	336.403	18.189	354.592	-	354.592
EBITDAR	**783.236**	**24.155**	**807.391**	**-**	**807.391**

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NOTE 3 - SEGMENT REPORTING (Continued)

b) Segment analysis for the period 1 January - 30 September 2014

	Turkey	Other countries	Combined total	Intersegment eleminations	Total
External revnues	5.713.522	318.742	6.032.264	-	6.032.264
Inter segment revenues	4.549	-	4.549	(4.549)	-
Sales revenue	5.718.071	318.742	6.036.813	(4.549)	6.032.264
Cost of sales	(4.195.853)	(239.124)	(4.434.977)	4.549	(4.430.428)
Gross profit	1.522.218	79.618	1.601.836	-	1.601.836
Marketing, selling and distribution expenses	(1.109.582)	(48.543)	(1.158.125)	-	(1.158.125)
General administrative expenses	(173.045)	(27.035)	(200.080)	-	(200.080)
Addition: Depreciation and amortisation expenses	102.625	15.021	117.646	-	117.646
Addition: Provision for employement termination benefits	10.692	-	10.692	-	10.692
Addition: Employement termination benefits paid	14.643	-	14.643	-	14.643
Addition: Unused vacation pay liability	8.600	-	8.600	-	8.600
EBITDA	**376.151**	**19.061**	**395.212**	**-**	**395.212**
Addition: Rent expenses	282.340	14.805	297.145	-	297.145
EBITDAR	**658.491**	**33.866**	**692.357**	**-**	**692.357**

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NOTE 3 - SEGMENT REPORTING (Continued)

c) Segment analysis for the period 1 July - 30 September 2015

	Turkey	Other countries	Combined total	Intersegment eleminations	Total
External revnues	2.533.328	108.978	2.642.306	-	2.642.306
Inter segment revenues	639	-	639	(639)	-
Sales revenue	2.533.967	108.978	2.642.945	(639)	2.642.306
Cost of sales	(1.849.440)	(83.432)	(1.932.872)	639	(1.932.233)
Gross profit	684.527	25.546	710.073	-	710.073
Marketing, selling and distribution expenses	(480.679)	(18.593)	(499.272)	-	(499.272)
General administrative expenses	(66.592)	(12.085)	(78.677)	-	(78.677)
Addition: Depreciation and amortisation expenses	40.480	5.551	46.031	-	46.031
Addition: Provision for employement termination benefits	2.447	-	2.447	-	2.447
Addition: Employement termination benefits paid	5.178	-	5.178	-	5.178
Addition: Unused vacation pay liability	374	-	374	-	374
EBITDA	**185.735**	**419**	**186.154**	**-**	**186.154**
Addition: Rent expenses	121.129	6.111	127.240	-	127.240
EBITDAR	**306.864**	**6.530**	**313.394**	**-**	**313.394**

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NOTE 3 - SEGMENT REPORTING (Continued)

d) Segment analysis for the period 1 July - 30 September 2014

	Turkey	Other countries	Combined total	Intersegment eleminations	Total
External revnues	2.192.756	101.812	2.294.568	-	2.294.568
Inter segment revenues	236	-	236	(236)	-
Sales revenue	2.192.992	101.812	2.294.804	(236)	2.294.568
Cost of sales	(1.609.243)	(75.917)	(1.685.160)	236	(1.684.924)
Gross profit	583.749	25.895	609.644	-	609.644
Marketing, selling and distribution expenses	(411.267)	(16.055)	(427.322)	-	(427.322)
General administrative expenses	(59.317)	(9.116)	(68.433)	-	(68.433)
Addition: Depreciation and amortisation expenses	35.269	4.994	40.263	-	40.263
Addition: Provision for employement termination benefits	2.980	-	2.980	-	2.980
Addition: Employement termination benefits paid	5.107	-	5.107	-	5.107
Addition: Unused vacation pay liability	735	-	735	-	735
EBITDA	**157.256**	**5.718**	**162.974**	**-**	**162.974**
Addition: Rent expenses	101.100	4.960	106.060	-	106.060
EBITDAR	**258.356**	**10.678**	**269.034**	**-**	**269.034**

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NOTE 3 - SEGMENT REPORTING (Continued)

A reconciliation between EBITDAR and income before tax is provided as follows:

	1 January - 30 September 2015	1 July - 30 September 2015	1 January - 30 September 2014	1 July - 30 September 2014
EBITDAR reported segments	807.391	313.394	692.357	269.034
Rent expenses	(354.592)	(127.240)	(297.145)	(106.060)
EBITDA reported segments	**452.799**	**186.154**	**395.212**	**162.974**
Depreciation and amortisation expenses	(132.353)	(46.031)	(117.646)	(40.263)
Provision for employment termination benefits	(9.609)	(2.447)	(10.692)	(2.980)
Employement termination benefits paid	(16.318)	(5.178)	(14.643)	(5.107)
Unused vacation pay liability	(10.475)	(374)	(8.600)	(735)
Other operating income	60.016	30.803	44.614	15.075
Other operating expenses (-)	(128.373)	(48.626)	(107.968)	(39.071)
Operating profit	**215.687**	**114.301**	**180.277**	**89.893**
Income from investing activities	863	316	773	136
Expense from investing activities (-)	(117.059)	(113.246)	(2.871)	(117)
Operating profit beftore finance income	**99.491**	**1.371**	**178.179**	**89.912**
Financial income	49.696	40.365	55.423	1.401
Financial expenses (-)	(575.584)	(375.137)	(116.064)	(31.697)
(Loss) / income before tax	**(426.397)**	**(333.401)**	**117.538**	**59.616**

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NOTE 4 - DERIVATIVE FINANCIAL INSTRUMENTS

Short term derivative financial instruments

	30 September 2015	31 December 2014
Forward foreign exchange contracts	7.763	874
	7.763	**874**

	30 September 2015	31 December 2014
Interest swap contracts	(580)	(2.193)
Forward foreign exchange contracts	-	(36)
	(580)	**(2.229)**

Long term derivative financial instruments

	30 September 2015	31 December 2014
Cap option	941	9
	941	**9**

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 TRL and purchases Euro at agreed strike prices. The fair values of the foreign exchange contracts as of 30 September 2015 are as follows:

	Euro amount to be purchased	TRL amount to be sold	Fair value (TRL)
Forward foreign exchange contracts	16.000	46.815	7.763

The fair values of the foreign exchange contracts as of 31 December 2014 are as follows:

	Euro amount to be purchased	TRL amount to be sold	Fair value (TRL)
Forward foreign exchange contracts	24.000	69.617	838

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NOTE 4 - DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

The Group entered number of cap and interest rate swap contracts with banks in order to hedge its interest rate risk. The fair values of contracts and details as of 30 September 2015 and 31 December 2014 are as follows:

30 September 2015

	Agreement type	Transaction date	Effective date	Expiration date	Derivative instrument amount (EUR)	Fair value (TRL)
Current assets	Cap	27 Nov 2013	29 Nov 2013	30 Nov 2015	206 million	-
Non-current assets	Cap	21 Nov 2014	28 Nov 2014	30 Nov 2016	360 milllion	1
	Cap	23 Jul 2015	26 Nov 2015	28 May 2018	35,2 milllion	72
	Cap	23 Jul 2015	24 Nov 2015	29 May 2018	281,3 milllion	802
	Cap	23 Jul 2015	24 Nov 2015	29 May 2018	35,2 milllion	66
Current liabilities	Interest rate swap	20 Nov 2012	30 Nov 2012	30 Nov 2015	200 million	(580)

31 December 2014

	Agreement type	Transaction date	Effective date	Expiration date	Derivative instrument amount (EUR)	Fair value (TRL)
Current assets	Cap	27 Nov 2013	29 Nov 2013	30 Nov 2015	206 million	-
Non-current assets	Cap	21 Nov 2014	28 Nov 2014	30 Nov 2016	360 million	9
Current liabilities	Interest rate swap	20 Nov 2012	30 Nov 2012	30 Nov 2015	200 million	(2.193)

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NOTE 5 - INVESTMENT PROPERTY

	1 January 2015	Additions	Disposals	Transfers (*)	Currency translation differences	30 September 2015
Cost						
Land and buildings	84.770	3.534	-	17.463	2.680	108.447
Accumulated depreciation						
Buildings	(37.277)	(2.808)	-	(6.189)	(780)	(47.054)
Net book value	**47.493**					**61.393**

(*) Ankara Ankamall Shopping Mall Center was transfered from property, plant and equipment and reclassified as investment property. As of 30 September 2015 the total rentable area is 6.741 m^2 (31 December 2014: 2.322 m^2) and its fair value is TRL 61.850 (31 December 2014: TRL 26.041). The mentioned fair value is determined according to the real estate valuation report dated March 2015 of Ekol Gayrimenkul Değerleme ve Danışmanlık A.Ş.

	1 January 2014	Additions	Disposals	Transfers (*)	Currency translation differences	30 September 2014
Cost						
Land and buildings	76.364	-	-	-	(1.520)	74.844
Accumulated depreciation						
Buildings	(30.097)	(2.999)	-	-	256	(32.840)
Net book value	**46.267**					**42.004**

Depreciation expenses of the period have accounted for under 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 Skopje shopping mall in Macedonia. At 30 September 2015, total investment property of Kazakhstan and Macedonia are 6.190 and 8.387 m^2 respectively (31 December 2014: Kazakhstan 6.586 m^2, Macedonia 7.017 m^2).

Fair value of the investment properties in Kazakhstan and Macedonia are TRL 47.699 and TRL 68.053 (31 December 2014: Kazakhstan TRL 47.699, Macedonia TRL 68.053). This value has been calculated with discounted cash flow approach.

There is no mortgage or pledge on the investment properties of the Group as of 30 September 2015.

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NOTE 6 - PROPERTY, PLANT AND EQUIPMENT

Movement of property, plant and equipments for the nine month period as of 30 September 2015 is as follows;

	1 January 2015	Additions	Disposals	Impairment loss (*)	Transfers	Currency translation differences	30 September 2015
Cost							
Land and buildings	477.570	11.038	-	-	(17.435)	1.952	473.125
Leasehold improvements	539.917	24.961	-	(22.142)	(27.442)	(2.506)	512.788
Machinery and equipments	544.833	32.120	(18.011)	-	30.787	(3.595)	586.134
Motor vehicles	2.489	66	(291)	-	-	51	2.315
Furniture and fixtures	278.484	18.626	(2.950)	-	7.416	2.080	303.656
Construction in progress	25.388	65.030	-	-	(57.373)	767	33.812
	1.868.681	**151.841**	**(21.252)**	**(22.142)**	**(64.047)**	**(1.251)**	**1.911.830**
Accumulated depreciation							
Buildings	(54.678)	(9.689)	-	-	6.189	(359)	(58.537)
Leasehold improvements	(226.365)	(36.462)	-	18.757	28.003	1.322	(214.745)
Machinery and equipments	(196.705)	(49.283)	16.455	-	-	2.157	(227.376)
Motor vehicles	(1.253)	(308)	284	-	-	(36)	(1.313)
Furniture and fixture	(102.379)	(19.833)	2.289	-	-	(1.253)	(121.176)
	(581.380)	**(115.575)**	**19.028**	**18.757**	**34.192**	**1.831**	**(623.147)**
Net book value	**1.287.301**						**1.288.683**

(*) Impairment loss amounting to TRL 3.385 consists of leasehold improvements of the stores closed in 2015 (Note 16).

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NOTE 6 - PROPERTY, PLANT AND EQUIPMENT (Continued)

Movement of property, plant and equipments for the nine month period as of 30 September 2014 is as follows;

	1 January 2014	Additions	Disposals	Impairment loss (*)	Transfers	Currency translation differences	30 September 2014
Cost							
Land and buildings	481.229	3.087	-	-	91	(3.612)	480.795
Leasehold improvements	494.845	23.809	-	(8.805)	11.026	(2.361)	518.514
Machinery and equipments	476.977	31.633	(10.456)	-	20.957	(3.141)	515.970
Motor vehicles	1.675	857	(106)	-	-	(50)	2.376
Furniture and fixtures	244.092	18.576	(2.765)	-	8.687	(950)	267.640
Construction in progress	5.185	55.216	(123)	-	(40.761)	-	19.517
	1.704.003	**133.178**	**(13.450)**	**(8.805)**	**-**	**(10.114)**	**1.804.812**
Accumulated depreciation							
Buildings	(49.940)	(7.083)	-	-	-	1.052	(55.971)
Leasehold improvements	(189.289)	(35.751)	-	7.378	-	1.722	(215.940)
Machinery and equipments	(153.050)	(41.591)	9.136	-	-	1.114	(184.391)
Motor vehicles	(837)	(280)	98	-	-	-	(1.019)
Furniture and fixtures	(77.222)	(18.236)	2.080	-	-	102	(93.276)
	(470.338)	**(102.941)**	**11.314**	**7.378**	**-**	**3.990**	**(550.597)**
Net book value	**1.233.665**						**1.254.215**

(*) Impairment loss amounting to TRL 1.427 consists of leasehold improvements of the stores closed in 2014 (Note 16).

Depreciation expenses related to property, plant and equipment have been accounted under general administrative expenses.

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NOTE 7 - INTANGIBLE ASSETS

Movement of intangible assets for the nine month period as of 30 September 2015 is as follows;

	1 January 2015	Additions	Disposals	Impairment loss (*)	Transfers	Currency translation differences	30 September 2015
Cost							
Trademark (*)	202.175	-	-	(111.500)	-	-	90.675
Rent agreements (**)	32.982	-	-		-	-	32.982
Rights	71.071	16.208	-	-	5.991	(58)	93.212
Other intangible assets (***)	28.783	550	-	-	40.593	-	69.926
	335.011	**16.758**	**-**	**(111.500)**	**46.584**	**(58)**	**286.795**
Accumulated amortisation							
Rent agreements (**)	(28.401)	(1.309)	-	-	-	-	(29.710)
Rights	(38.562)	(11.126)	-	-	-	(193)	(49.881)
Other intangible assets (***)	(18.631)	(1.535)	-	-	(28.003)	-	(48.169)
	(85.594)	**(13.970)**	**-**	**-**	**(28.003)**	**(193)**	**(127.760)**
Net book value	**249.417**						**159.035**

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NOTE 7 - INTANGIBLE ASSETS (Continued)

Movement of intangible assets for the nine month period as of 30 September 2014 is as follows;

	1 January 2014	Additions	Disposals	Impairment loss (*)	Transfers	Currency translation differences	30 September 2014
Cost							
Trademark (*)	202.175	-	-	-	-	-	202.175
Rent agreements (**)	32.982	-	-	-	-	-	32.982
Rights	55.542	9.777	(162)	-	-	(318)	64.839
Other intangible assets (***)	28.783	-	-	-	-	-	28.783
	319.482	**9.777**	**(162)**		**-**	**(318)**	**328.779**
Accumulated amortisation							
Rent agreements (**)	(26.202)	(1.649)	-	-	-	-	(27.851)
Rights	(27.739)	(7.862)	80	-	-	(255)	(35.776)
Other intangible assets (***)	(15.960)	(2.195)	-	-	-	-	(18.155)
	(69.901)	**(11.706)**	**80**	**-**	**-**	**(255)**	**(81.782)**
Net book value	**249.581**						**246.997**

NOTE 7 - INTANGIBLE ASSETS (Continued)

(*) TFRS 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 was 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 TRL 202.175 at the acquisition date 30 May 2008. This amount has been accounted for as an intangible asset 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, the Group assesses the intangible assets with indefinite useful lives annually for any indication of impairment.

In order to provide operational benefits, The Group has decided to operate its 179 Tansaş stores (30 September 2015: 162 stores) under Migros-MigrosJet banner, mainly starting from the second quarter of the year 2015, in accordance with the strategic evaluations and analyses. In this context, according to the impairment test made as of 30 September 2015, the fair value of Tansaş trademark is determined as 90.675 TL by using the "Relief from Royalties" method. The impairment value in Tansaş trademark is calculated in the amount of 111.500 TL and recognized under "expenses from investment activities".

(**) 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 TRL 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 local retail chain Maxi Market's Silivri, Tekirdag and Çengelköy stores, with a total sales area of 13.000 m^2, 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 purchase cost in the amount of TRL 10.297 which exceeds the fair value of the purchased furniture and fixtures has been accounted for as an intangible asset and has been 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., ("Mak Gıda") a local retail chain operating in Gaziantep region, with a total sales area of 9.592 m^2 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 meters 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 TRL 18.486, TRL 601 for the Mak Gıda and TRL 17.885 for Yonca, respectively- was accounted for under other intangible assets and has been amortised over the rent agreement period.

Amortisation expenses related to intangible assets have been accounted under general administrative expenses.

(Amounts expressed in thousands of Turkish Lira ("TRL") unless otherwise indicated.)
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NOTE 8 - INVENTORIES

	30 September 2015	*Restated* 31 December 2014	*Restated* 31 December 2013
Raw materials	6.166	6.707	673
Work in progress	5.994	9.794	5.703
Merchandise stocks	998.516	930.711	832.324
Other	2.372	2.765	2.528
	1.013.048	**949.977**	**841.228**

NOTE 9 - GOODWILL

	1 January - 30 September 2015	1 January - 30 September 2014
Opening balance	2.251.427	2.251.427
Closing balane	2.251.427	2.251.427

NOTE 10 - FINANCIAL LIABILITIES

	30 September 2015		
	Effective interest rate	**Euro**	**Total TRL equivalent**
Current portion of long term borrowings			
With floating interest rate - EUR	%5,30	48.161	164.768
With fixed interest rate - TRL	%13,93	-	40.648
With fixed interest rate - EUR	%2,00	128	438
Total current bank borrowings		**48.289**	**205.854**
Non-current bank borrowings			
With floating interest rate - EUR	%5,30	690.261	2.361.521
With fixed interest rate - TRL	%13,93	-	257.413
With fixed interest rate - EUR	%2,00	123	421
Total non-current bank borrowings		**690.384**	**2.619.355**
Total financial liabilities		**738.673**	**2.825.209**

(Amounts expressed in thousands of Turkish Lira ("TRL") unless otherwise indicated.)
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NOTE 10 - FINANCIAL LIABILITIES (Continued)

The redemption schedule of bank borrowings at 30 September 2015 is as follows:

	Euro Loan TRL equivalent	**TRL Loan**	**Total TRL equivalent**
1 October 2015 - 30 September 2016	165.207	40.647	205.854
1 October 2016 - 30 September 2017	197.794	39.413	237.207
1 October 2017 - 30 September 2018	250.884	39.997	290.881
1 October 2018 - 30 September 2019	312.880	40.367	353.247
1 October 2019 - 30 September 2020	367.529	39.642	407.171
1 October 2020 - 30 September 2021	378.651	35.227	413.878
1 October 2021 - 30 September 2022	406.749	32.384	439.133
1 October 2022 - 26 May 2023	447.455	30.383	477.838
	2.527.149	**298.060**	**2.825.209**

The redemption schedule of principal amounts of bank borrowings at 30 September 2015 is as follows:

	Euro Loan TRL equivalent	**TRL Loan**	**Total TRL equivalent**
1 October 2015 - 30 September 2016	41.559	4.722	46.281
1 October 2016 - 30 September 2017	88.570	10.119	98.689
1 October 2017 - 30 September 2018	164.540	18.888	183.428
1 October 2018 - 30 September 2019	264.439	30.356	294.795
1 October 2019 - 30 September 2020	367.276	42.161	409.437
1 October 2020 - 30 September 2021	426.040	48.906	474.946
1 October 2021 - 30 September 2022	514.186	59.025	573.211
1 October 2022 - 26 May 2023	631.715	72.516	704.231
	2.498.325	**286.693**	**2.785.018**

The fair value of bank borrowings at 30 September 2015 is TRL 2.837.013.

As per the resolution of the Board of Directors for the refinancing the Company's current debt of EUR 830 million, an agreement has been signed on 30 April 2015 between Migros Ticaret A.Ş and Türkiye Garanti Bankası A.Ş., Türkiye İş Bankası A.Ş., Akbank T.A.Ş., Türkiye Sınai Kalkınma Bankası A.Ş. and Commercial Bank of Qatar (Q.S.C) for EUR 730 million and EUR 100 million equivalent of TRL with a maturity of 8 years and semi-annual interest payment and amortization. Furthermore, an additional EUR 100 million facility is provided to the Company valid for 8 years for any potential working capital requirements in the future.

With respect to long term bank loans, all Migros Ticaret A.Ş. shares owned by MH Perakendecilik ve Ticaret A.Ş. and Moonlight Capital S.A. were provided as collateral to the financial institutions as from the grant date of the loan. As of 30 September 2015, shares of Migros Ticaret A.Ş. which represents 80,51% of shares and amounting to TRL 143.323.336 nominal value (14.332.333.600 shares) owned by MH Perakendecilik ve Ticaret A.Ş. and Moonlight Capital S.A. were pledged (31 December 2014: 14.332.333.600 shares representing 80,51%).

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NOTE 10 - FINANCIAL LIABILITIES (Continued)

	31 December 2014		
	Effective interest rate	**Euro**	**Total TRL equivalent**
Current portion of long term borrowings			
With floating interest rate	%4,50	224.570	633.445
With fixed interest rate	%2,00	126	356
Total current bank borrowings		**224.696**	**633.801**
Non-current bank borrowings			
With fixed floating rate	%4,50	609.298	1.718.646
With fixed interest rate	%2,00	121	342
Total non-current bank borrowings		**609.419**	**1.718.988**
Total financial liabilities		**834.115**	**2.352.789**

The redemption schedule of bank borrowings with TRL equivalents at 31 December 2014 is as follows:

	Euro	**TRL**
1 January 2015 - 31 December 2015	224.696	633.801
1 January 2016 - 31 December 2016	239.194	674.695
1 January 2017 - 31 December 2017	240.666	678.847
1 January 2018 - 31 May 2018	129.559	365.446
	834.115	**2.352.789**

The fair value of bank borrowings at 31 December 2014 is TRL 2.345.052.

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NOTE 11 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

Short-term provisions	**30 September 2015**	**31 December 2014**
Provision for tax penalty (*)	50.435	44.503
Provision for litigation	26.985	26.578
Customer loyalty programs	3.081	977
	80.501	**72.058**

There are various lawsuits filed against or in favour of the Group. Receivables, rent or labour 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.

(*) A limited tax review has been conducted on the Group's Value Added Tax ("VAT") accounting treatment of wastages relating to goods purchased in 2008, 2009, 2010, 2011 and 2012. The tax review was finalized on November 2014 and a principal tax fine of TRL 27.484 (TRL 45.602 including the interest) was calculated following the objection raised in the Tax Review Report which argues that the amounts exceeding the shrinkage limits can not be treated as deductions in the tax accounts, therefore VAT relating to these purchased goods can not be subject to deduction. The Company disclosed that all available legal course of actions and rights including compromise is going to be excercised regarding the above mentioned amounts. Therefore, a provision amounting to TRL 44.503 (TRL 27.484 for the principal part and TRL 17.019 for the interest charges has been accounted for in the consolidated financial statements as of 31 December 2014. The Group accounted for an additional provision amounting to TRL 5.932 for the current period interest charges and thus the total provision for tax penalty reached to TRL 50.435 in the condensed consolidated financial statements as of 30 September 2015.

Movement of provision for lawsuits is as follows:

1 January 2014	**22.430**
Increase during period	4.974
Payments during period	(2.678)
30 September 2014	**24.726**
1 January 2015	**26.578**
Increase during period	3.493
Payments during period	(3.086)
30 September 2015	**26.985**

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

Collaterals, Pledges, Mortgages

30 September 2015:

	Total TRL amount	TRL	USD	Euro
A. CPM given on behalf of the Company's legal personality	81.973	80.536	472	-
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 behalf of the majority shareholder	-	-	-	-
ii. Total amount of CPM given behalf of other group companies which are not in scope of B and C	-	-	-	-
iii. Total amount of CPM given behalf of third parties which are not in scope of C	-	-	-	-
Total collaterals, pledges and mortgages	**81.973**	**80.536**	**472**	**-**
Proportion of the other CPM's to equity	**-**	**-**	**-**	**-**

31 December 2014:

	Total TRL amount	TRL	USD	Euro
A. CPM given on behalf of the Company's legal personality	74.332	73.167	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 behalf of the majority shareholder	-	-	-	-
ii. Total amount of CPM given behalf of other group companies which are not in scope of B and C	-	-	-	-
iii. Total amount of CPM given behalf of third parties which are not in scope of C	-	-	-	-
Total collaterals, pledges and mortgages	**74.332**	**73.167**	**472**	**25**
Proportion of the other CPM's to equity	**-**	**-**	**-**	**-**

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

Contingent assets and liabilities

Guarantees given at 30 September 2015 and 31 December 2014 are as follows:

	30 September 2015	31 December 2014
Letter of guarantees given	81.973	74.332
	81.973	**74.332**

Guarantees received at 30 September 2015 and 31 December 2014 are as follows:

	30 September 2015	31 December 2014
Guarantees obtained from customers	100.659	97.727
Morgages obtained from customers	23.313	19.999
	123.972	**117.726**

The future aggregate minimum lease payments under non-cancellable operating leases of land and stores are as follows. Amounts are expressed in the total amount to be paid by the end of the lease term although the time periods specified in the contracts in line with the vast majority of our stores early release have a right to give notice of the condition.

	30 September 2015	31 December 2014
Payable within 1 year	27.573	26.907
Payable in 1 to 5 years	7.135	7.170
5 years and more	681	1.262
	35.389	**35.339**

NOTE 12 - PROVISION FOR EMPLOYEE BENEFITS

	30 September 2015	31 December 2014
Provision for unused vacation	73.459	62.984
Provision for employment termination benefits	64.447	55.848
	137.906	**118.832**

(Amounts expressed in thousands of Turkish Lira ("TRL") unless otherwise indicated.)
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NOTE 12 - PROVISION FOR EMPLOYEE BENEFITS (Continued)

Movement of provision for unused vacation is as follows:

1 January 2014	**52.577**
Increase during period	14.402
Payments during period	(5.802)
30 September 2014	**61.177**
1 January 2015	**62.984**
Increase during year	15.634
Payments during period	(5.159)
30 September 2015	**73.459**

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

1 January 2014	**43.954**
Increase during period	25.335
Payments during period	(14.643)
30 September 2014	**54.646**
1 January 2015	**55.848**
Increase during period	25.927
Payments during period	(16.318)
Actuarial gain	(1.010)
30 September 2015	**64.447**

Provision for employment termination benefits

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and who reaches the retirement age, whose employment is terminated without due cause, is enlisted for military service or passed away. The amount payable consists of one month's salary limited to a maximum of TRL 3.828,37 (31 December 2014: TRL 3.541,37) for each year of service at 30 September 2015.

In the consolidated financial statements as of September 30, 2015 and December 31, 2014, the Group reflected a liability calculated using the projected unit credit method and based upon factors derived using their experience of personnel terminating their services and being eligible to receive retirement pay and discounted by using the current market yield at the balance sheet date on government bonds.

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NOTE 13 - REVENUE

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

	1 January - 30 September 2015	1 July - 30 September 2015	1 January - 30 September 2014	1 July - 30 September 2014
Domestic sales	6.876.255	2.602.016	5.875.302	2.253.072
Foreign sales	330.044	108.272	317.815	101.412
Other sales	10.206	4.083	9.391	2.931
Gross sales	**7.216.505**	**2.714.371**	**6.202.508**	**2.357.415**
Discounts and returns (-)	(204.969)	(72.065)	(170.244)	(62.847)
Net revenue	**7.011.536**	**2.642.306**	**6.032.264**	**2.294.568**
Cost of sales (-)	(5.134.874)	(1.932.233)	(4.430.428)	(1.684.924)
Gross profit	**1.876.662**	**710.073**	**1.601.836**	**609.644**

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

	1 January - 30 September 2015	1 July - 30 September 2015	1 January - 30 September 2014	1 July - 30 September 2014
Retail sales revenue	6.971.651	2.629.405	6.003.804	2.285.459
Wholesale revenue	177.385	60.531	138.124	52.068
Rent income	57.263	20.352	51.189	16.957
	7.206.299	**2.710.288**	**6.193.117**	**2.354.484**

(Amounts expressed in thousands of Turkish Lira ("TRL") unless otherwise indicated.)
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NOTE 14 - EXPENSE BY NATURE

Total	**1 January - 30 September 2015**	**1 July - 30 September 2015**	**1 January - 30 September 2014**	**1 July - 30 September 2014**
Staff costs	659.624	237.079	556.894	202.917
Rent	354.592	127.241	297.145	106.060
Depreciation and amortisation	132.353	46.031	117.646	40.263
Energy	97.835	40.243	84.667	34.222
Transportation	62.184	23.467	61.053	23.398
Advertising	49.728	15.767	41.571	14.428
Porterage and cleaning	46.022	17.542	38.838	14.861
Warehouse	40.820	15.083	36.656	13.656
Repair and maintanence	28.692	11.600	21.212	8.436
Mechanisation	18.870	7.371	15.005	5.920
Security	17.400	6.105	15.064	5.286
Taxes and other fees	10.572	3.183	8.552	3.301
Communication	7.209	2.471	6.290	2.200
Other	66.717	24.766	57.612	20.807
	1.592.618	**577.949**	**1.358.205**	**495.755**

Marketing, selling and distribution	**1 January - 30 September 2015**	**1 July - 30 September 2015**	**1 January - 30 September 2014**	**1 July - 30 September 2014**
Staff costs	586.819	212.175	493.649	181.729
Rent	354.152	127.096	296.709	105.908
Energy	96.891	39.900	83.873	33.930
Transportation	62.184	23.467	61.053	23.398
Advertising	49.726	15.768	41.571	14.428
Porterage and cleaning	44.633	17.025	37.695	14.459
Warehouse	40.820	15.083	36.656	13.656
Repair and maintanence	28.220	11.396	20.844	8.345
Security	16.753	5.867	14.491	5.079
Mechanisation	16.512	6.528	12.584	4.976
Taxes and other fees	9.720	2.961	7.675	2.800
Communication	5.917	2.010	5.003	1.712
Other	53.869	19.996	46.322	16.902
	1.366.216	**499.272**	**1.158.125**	**427.322**

(Amounts expressed in thousands of Turkish Lira ("TRL") unless otherwise indicated.)
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NOTE 14 - EXPENSE BY NATURE (Continued)

General administrative	1 January - 30 September 2015	1 July - 30 September 2015	1 January - 30 September 2014	1 July - 30 September 2014
Depreciation and amortisation	132.353	46.031	117.646	40.268
Staff costs	72.805	24.904	63.245	21.188
Other	21.244	7.742	19.189	6.977
	226.402	**78.677**	**200.080**	**68.433**

Expenses by nature in cost of sales for the periods 1 January - 30 September 2015 and 2014 are as follows:

	1 January - 30 September 2015	1 July - 30 September 2015	1 January - 30 September 2014	1 July - 30 September 2014
Cost of goods sold	5.111.386	1.924.433	4.410.035	1.677.764
Cost of service rendered	23.488	7.800	20.393	7.160
	5.134.874	**1.932.233**	**4.430.428**	**1.684.924**

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

NOTE 15 - OTHER OPERATING INCOME AND EXPENSES

Other operating income	1 January - 30 September 2015	1 July - 30 September 2015	1 January - 30 September 2014	1 July - 30 September 2014
Interest income on term sales	28.665	11.311	23.923	7.664
Interest income from operating activities	18.450	8.162	18.301	6.708
Other	12.901	11.330	2.390	703
	60.016	**30.803**	**44.614**	**15.075**

Other operating expenses	1 January - 30 September 2015	1 July - 30 September 2015	1 January - 30 September 2014	1 July - 30 September 2014
Interest expense on term purchases	112.987	44.558	93.627	31.723
Compensation paid	3.086	421	2.678	935
Bad debt provision expense	2.396	1.391	2.101	431
Provision for litigation	407	40	2.296	4.296
Other	9.497	2.216	7.266	1.686
	128.373	**48.626**	**107.968**	**39.071**

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NOTE 16 - INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

Income from investment activities	**1 January - 30 September 2015**	**1 July - 30 September 2015**	**1 January - 30 September 2014**	**1 July - 30 September 2014**
Gain on sale of property, plant and equipment	863	316	773	136
	863	**316**	**773**	**136**

Expense from investment activities	**1 January - 30 September 2015**	**1 July - 30 September 2015**	**1 January - 30 September 2014**	**1 July - 30 September 2014**
Impairment losses on intangible assets	111.500	111.500	-	-
Losses from leashold improvements of closed stores	3.385	408	1.427	1
Loss on sale of property, plant and equipment	1.644	808	1.444	116
Impairment losses on financial investments	530	530	-	-
	117.059	**113.246**	**2.871**	**117**

NOTE 17 - FINANCIAL INCOME

	1 January - 30 September 2015	**1 July - 30 September 2015**	**1 January - 30 September 2014**	**1 July - 30 September 2014**
Foreign exchange gains	38.047	32.736	48.638	(47)
Financial income on derivatives	10.607	7.122	-	-
Interest income on bank deposits	1.042	507	6.785	1.448
	49.696	**40.365**	**55.423**	**1.401**

NOTE 18 - FINANCIAL EXPENSES

	1 January - 30 September 2015	**1 July - 30 September 2015**	**1 January - 30 September 2014**	**1 July - 30 September 2014**
Foreign exchange losses	449.207	323.660	6.989	(3.007)
Interest expense on bank borrowings	101.033	44.168	94.821	30.935
Expenses arising from the restructure of bank borrowings	8.969	-	-	-
Interest expense of tax penaty	5.932	2.060	-	-
Financial expense on derivativies	3.069	1.629	8.146	1.489
Other	7.374	3.620	6.108	2.280
	575.584	**375.137**	**116.064**	**31.697**

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NOTE 19 - TAXES ON INCOME (DEFERRED TAX ASSET AND LIABILITIES INCLUDED)

	30 September 2015	31 December 2014
Taxes and fund payable	53.371	63.724
Less: Prepaid current income taxes	(30.551)	(60.609)
Taxes on income	**22.820**	**3.115**

	30 September 2015	*Restated* 31 December 2014	*Restated* 31 December 2013
Deferred tax assets	39.619	37.002	30.558
Deferred tax liabilities	(130.870)	(149.632)	(143.412)
Deferred tax liabilities, net	**(91.251)**	**(112.630)**	**(112.854)**

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, income tax rate as of 30 September 2015 is 20% (2014: 20%).

Implied income tax rates in Kazakhstan, Bulgaria and Macedonia are 20%, 10% and 10% respectively (31 December 2014: 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 2015. 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. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

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NOTE 19 - TAXES ON INCOME (DEFERRED TAX ASSET AND LIABILITIES INCLUDED) (Continued)

The details of taxation on income for the periods ended 30 September 2015 and 2014 are as follows:

	1 January - 30 September 2015	**1 July - 30 September 2015**	**1 January - 30 September 2014**	**1 July - 30 September 2014**
Current period tax expense	(53.371)	(27.068)	(52.279)	(24.857)
Previous period tax income (*)	-	-	5.930	-
Current period tax expense	**(53.371)**	**(27.068)**	**(46.349)**	**(24.857)**
Deferred tax income / (expense)	24.256	18.810	1.820	(1.342)
Current year tax expense	**(29.115)**	**(8.258)**	**(44.529)**	**(26.199)**

(*) The Company has re-evaluated the tax provision relating 2013 and applied to tax authorities with a correction in its tax returns. In accordance with this correction, the Company has paid TRL 5.930 less tax for year 2013.

Income witholding 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 tax

The Group recognises deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with TFRS 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 TAS. As of 30 September 2015 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 2014: 20%, 20%, 10% and 10% respectively).

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

NOTE 19 - TAXES ON INCOME (DEFERRED TAX ASSET AND LIABILITIES INCLUDED) (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 September 2015 and 31 December 2014 using the currently enacted tax rates, is as follows:

	Cumulative temporary differences			Deferred tax assets / (liabilities)		
	30 September 2015	**31 December 2014**	**31 December 2013**	**30 September 2015**	**31 December 2014**	**31 December 2013**
Deferred tax assets:						
Fair value change of derivative financial instruments	580	2.229	869	116	446	174
Short term provsions	100.443	89.562	75.007	20.089	17.912	15.002
Inventories	23.828	32.501	26.795	4.766	6.500	5.359
Provision for employee termination benefits	64.447	55.848	43.954	12.889	11.170	8.791
Unincurred interest income	244	196	201	49	39	40
Other	8.554	4.677	5.959	1.710	935	1.192
				39.619	**37.002**	**30.558**
Deferred tax liabilities:						
Fair value change of derivative financial instruments	8.705	882	949	(1.741)	(176)	(190)
Property, plant and equiment	654.814	762.124	734.964	(123.900)	(145.245)	(139.482)
Unincurred interest expense	25.135	18.335	15.186	(5.027)	(3.667)	(3.037)
Other	1.010	2.719	3.514	(202)	(544)	(703)
				(130.870)	**(149.632)**	**(143.412)**
Total deferred tax liability, net				**(91.251)**	**(112.630)**	**(112.854)**

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

NOTE 19 - TAXES ON INCOME (DEFERRED TAX ASSET AND LIABILITIES INCLUDED) (Continued)

1 January 2015	**(112.630)**
Deferred tax income from continuing operations	24.256
Accounted for under equity	(202)
Currency translation difference	(2.675)
30 September 2015	**(91.251)**

1 January 2014	**(112.854)**
Deferred tax expense from continuing operations	1.820
Currency translation difference	(300)
30 September 2014	**(111.334)**

NOTE 20 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS

The Company's authorised and issued capital consists of 17.803.000.000 shares at 1 shares of Kr1 nominal value as of 30 September 2015 (31 December 2014: 17.803.000.000 shares). All shares are paid-in and no privileges are given to different share groups and shareholders. MH Perakendecilik ve Ticaret A.Ş ("MH") transfered its Migros Ticaret A.Ş shares with the nominal value of TRL 27.371.000 to its parent company, Moonlight Capital S.A., in exchange for TRL 26 per share on 13 November 2014. MH Perakendecilik ve Ticaret A.Ş ("MH") transfered its Migros Ticaret A.Ş shares with the nominal value of TRL 26.937.336 to its parent company, Moonlight Capital S.A., in exchange for TRL 26 per share on 31 December 2014. As a result of these transactions, as of 31 December 2014, the shareholding of "MH" and Moonlight Capital S.A. are 50,00% and 30,51%, respectively.

The shareholders of the Company and their shareholdings stated at historical amounts at 30 September 2015 and 31 December 2014 are stated below:

	30 September 2015		**31 December 2014**	
	TRL	**Share (%)**	**TRL**	**Share (%)**
MH Perakendecilikve Ticaret A.Ş.	89.015	50,00	89.015	50,00
Moonlight Capital S.A.	54.308	30,51	54.308	30,51
Other	34.707	19,49	34.707	19,49
Total	**178.030**	**100,00**	**178.030**	**100,00**

(Amounts expressed in thousands of Turkish Lira ("TRL") unless otherwise indicated.)
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NOTE 20 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

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 TRL 174.323.340 to TRL178.030.000 (Amounts expressed in Turkish Lira ("TRL")) 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 TRL 3.706.660 (Amounts expressed in Turkish Lira ("TRL") 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 TRL 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 21 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

a) Balances with related parties

Due from related parties	30 September 2015	31 December 2014
Anadolu Restoran İşletmeleri Ltd. Şti.	55	-
Mavi Jeans Giyim Sanayi ve Ticaret A.Ş.	48	38
Anadolu Isuzu Otomotiv Sanayi ve Tic. A.Ş	23	-
Other	9	6
	135	**44**

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NOTE 21 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Due to related parties	30 September 2015	31 December 2014
Anadolu Efes Pazarlama ve Dağıtım Ticaret A.Ş.	79.974	-
Coca Cola Satış ve Dağıtım A.Ş.	67.911	-
Ana Gıda İhtiyaç Maddeleri San. ve Tic. A.Ş.	37.582	-
Adel Kalemcilik Ticaret ve San. A.Ş.	6.674	-
Other	755	1.170
	192.896	**1.170**

Bank borrowings from related parties	30 September 2015	31 December 2014
Alternatifbank A.Ş.	34.792	-
	34.792	**-**

Cash and due from banks of related parties	30 September 2015	31 December 2014
Alternatifbank A.Ş.	50.388	-
	50.388	**-**

b) Transactions with related parties

On 15 July 2015 Moonlight Capital S.A. sold 80,50% of the shares of MH Perakendecilik ve Ticaret A.Ş. which holds %50 of Migros Ticaret A.Ş. shares to Anadolu Endüstri Holding A.Ş. ("AEH"). After the transaction, AEH companies are defined as related party and transactions has been disclosed since 1 July 2015.

Inventory purchases	1 January - 30 September 2015	1 July - 30 September 2015	1 January - 30 September 2014	1 July - 30 September 2014
Anadolu Efes Paz. ve Dağıtım Ticaret A.Ş.	61.282	61.282	-	-
Coca Cola Satış ve Dağıtım A.Ş.	48.412	48.412	-	-
Ana Gıda İhtiyaç Maddeleri San. ve Tic. A.Ş.	23.409	23.409	-	-
Adel Kalemcilik Ticaret ve San. A.Ş.	4.807	4.807	-	-
Natura Gıda San. ve Tic. A.Ş.	826	(273)	4.054	1.878
Anadolu Etap Tarım ve Gıda San. A.Ş.	725	725	-	-
	139.461	**138.362**	**4.054**	**1.878**

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NOTE 21 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Other transactions	**1 January - 30 September 2015**	**1 July - 30 September 2015**	**1 January - 30 September 2014**	**1 July - 30 September 2014**
Rent income	866	331	816	288
Rent expense	(501)	(501)	-	-
Other income	302	170	190	75
Other expense	(16)	(16)	-	-
Other transactions, net	**651**	**(16)**	**1.006**	**363**

Interest income	**1 January - 30 September 2015**	**1 July - 30 September 2015**	**1 January - 30 September 2014**	**1 July - 30 September 2014**
Alternatifbank A.Ş.	1.486	1.486	-	-
Other	1	1	-	-
	1.487	**1.487**	**-**	**-**

Interest expense	**1 January - 30 September 2015**	**1 July - 30 September 2015**	**1 January - 30 September 2014**	**1 July - 30 September 2014**
Alternatifbank A.Ş.	416	416	-	-
	416	**416**	**-**	**-**

c) 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 September 2015 and 30 September 2014 is as follows:

	1 January - 30 September 2015	**1 July - 30 September 2015**	**1 January - 30 September 2014**	**1 July - 30 September 2014**
Short term benefits	8.775	2.950	8.225	2.766
	8.775	**2.950**	**8.225**	**2.766**

Key management compensation paid or payable consists of benefits, salaries, premiums, individual pension premiums, vehicle rents and SSI and employer shares.

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NOTE 22 - EARNINGS / (LOSSES) PER SHARE

	1 January - 30 September 2015	**1 July - 30 September 2015**	**1 January - 30 September 2014**	**1 July - 30 September 2014**
Net (loss) / income attributable to shareholders	(455.517)	(341.661)	72.996	33.419
Weighted average number of shares with Kr1 face value each('000)	17.803.000	17.803.000	17.803.000	17.803.000
(Loss) / earning per share	**(2,56)**	**(1,92)**	**0,41**	**0,19**

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

NOTE 23 - 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 September 2015, if Euro had appreciated against TRL 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 TRL 120.452.

(Amounts expressed in thousands of Turkish Lira ("TRL") unless otherwise indicated.)
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NOTE 23 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (Continued)

	FOREIGN CURRENCY POSITION							
	30 September 2015				31 December 2014			
	Total TRL equivalent	USD	Euro	Other TRL equivalent	Total TRL equivalent	USD	Euro	Other TRL equivalent
Trade receivables	9.634	266	-	8.826	6.192	343	-	5.396
Monetary financial assets	158.466	7.630	35.443	13.989	49.014	9.225	6.554	9.137
Other	18.455	848	-	15.874	18.217	1.456	24	14.774
Current assets	**186.555**	**8.744**	**35.443**	**38.689**	**73.423**	**11.024**	**6.578**	**29.307**
Other	57.244	-	-	57.244	45.821	-	-	45.821
Non-current assets	**57.244**	**-**	**-**	**57.244**	**45.821**	**-**	**-**	**45.821**
Total assets	**243.799**	**8.744**	**35.443**	**95.933**	**119.244**	**11.024**	**6.578**	**75.128**
Trade payables	27.423	1.144	125	23.513	18.952	1.128	174	15.845
Financial liabilities	165.207	-	48.289	-	633.801	-	224.696	-
Non-monetary other liabilities	6.869	1.534	-	2.200	5.737	2.030	-	1.030
Current liabilities	**199.499**	**2.678**	**48.414**	**25.713**	**658.490**	**3.158**	**224.870**	**16.875**
Financial liabilities	2.361.942	-	690.384	-	1.718.988	-	609.419	-
Non-monetary other liabilities	2.712	-	793	-	2.404	-	852	-
Non-current liabilities	**2.364.654**	**-**	**691.177**	**-**	**1.721.392**	**-**	**610.271**	**-**
Total liabilities	**2.564.153**	**2.678**	**739.591**	**25.713**	**2.379.882**	**3.158**	**835.141**	**16.875**

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NOTE 23 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (Continued)

	FOREIGN CURRENCY POSITION							
	30 September 2015				31 December 2014			
	Total TRL equivalent	USD	Euro	Other TRL equivalent	Total TRL equivalent	USD	Euro	Other TRL equivalent
Net asset / (liability) position of off-balance sheet derivatives (A-B)	-	-	-	-	-	-	-	-
A. Total amount of off-balance sheet derivative financial assets	-	-	-	-	-	-	-	-
B. Total amount of off-balance sheet derivative financial liabilities	-	-	-	-	-	-	-	-
Net foreign currency asset / (liability) position	**(2.320.354)**	**6.066**	**(704.149)**	**70.220**	**(2.260.638)**	**7.866**	**(828.563)**	**58.253**
Net foreign currency asset / (liability) position of monetary items	**(2.386.471)**	**6.752**	**(703.356)**	**(698)**	**(2.316.535)**	**8.440**	**(827.735)**	**(1.312)**
Fair value hedge funds of foreign currency	7.763	-	-	-	838	-	-	-
Hedge amount of foreign currency assets	-	-	-	-	-	-	-	-
Hedge amount of foreign currency liabilities	54.739	-	16.000	-	67.697	-	24.000	-
Export	-	-	-	-	-	-	-	-
Import	61.713	22.827	-	-	73.066	33.286	-	-

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NOTE 23 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (Continued)

Foreign currency sensitivity analysis as of 30 September 2015 and 31 December 2014 is as follows:

30 September 2015

	Gain / Loss	
	Foreign exchange appreciation	**Foreign exchange depreciation**
%5 change in Euro exchange rate		
Euro net asset / liability	(120.452)	120.452
Portion secured from Euro risk	-	-
Euro net effect	**(120.452)**	**120.452**

31 December 2014

	Gain / Loss	
	Foreign exchange appreciation	**Foreign exchange depreciation**
%5 change in Euro exchange rate		
Euro net asset / liability	(116.857)	116.857
Portion secured from Euro risk	-	-
Euro net effect	**(116.857)**	**116.857**

NOTE 24 - 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 Turkish Financial Reporting Standards 7 ("TFRS 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).

NOTE 24 - FINANCIAL INSTRUMENTS (Continued)

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 10. 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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