MİGROS TİCARET A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2015

(ORIGINALLY ISSUED IN TURKISH)

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

MİGROS TİCARET A.Ş AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

MİGROS TİCARET A.Ş AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS AS OF 31 MARCH 2015 AND 31 DECEMBER 2014

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

	Notes	31 March 2015	31 December 2014
ASSETS			
Current Assets:			
Cash and cash equivalents		767.558	689.074
Trade receivables		45.944	47.847
Due from related parties	21	33	44
Other trade receivables		45.911	47.803
Other receivables		6.710	7.672
Other receivables		6.710	7.672
Derivative financial instruments	4	733	874
Inventories	8	958.022	962.885
Prepaid expenses		34.131	20.210
Other current assets		2.418	672
Total current assets		**1.815.516**	**1.729.234**
Non-current assets:			
Financial investments		1.695	1.695
Other receivables		1.728	1.691
Other receivables		1.728	1.691
Derivative financial instruments	4	5	9
Investment properties	5	59.220	47.493
Property, plant and equipment	6	1.271.529	1.287.301
Intangible assets	7, 9	2.501.461	2.500.844
Goodwill	9	2.251.427	2.251.427
Other intangible assets	7	250.034	249.417
Prepaid expenses		24.511	25.228
Total non-current assets		**3.860.149**	**3.864.261**
Total assets		**5.675.665**	**5.593.495**

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

CONDENSED CONSOLIDATED BALANCE SHEETS AS OF 31 MARCH 2015 AND 31 DECEMBER 2014

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

	Notes	31 March 2015	31 December 2014
LIABILITIES			
Current liabilities:			
Short term portion of long term borrowings	10	597.510	569.963
Trade payables		1.917.568	1.896.387
Due to related parties	21	1.098	1.170
Other trade payables		1.916.470	1.895.217
Employee benefit obligations		35.081	43.528
Other payables		34.202	44.186
Other payables		34.202	44.186
Derivative financial instruments	4	3.571	2.229
Deferred income		4.313	4.118
Taxes on income	19	10.712	3.115
Short term provisions		141.204	134.065
Short term provisions for employee benefits	12	67.701	62.984
Other short term provisions	11	73.503	71.081
Other current liabilities		26.884	18.339
Total current liabilities		**2.771.045**	**2.715.930**
Non-current liabilities:			
Long term borrowings	10	1.789.273	1.782.826
Other payables		3.240	2.963
Other payables		3.240	2.963
Deferred income		2.157	1.551
Long term provisions		61.377	55.848
Long term provisions for employee benefits	12	61.377	55.848
Deferred income tax liabilities	19	112.140	115.221
Total non-current liabilities		**1.968.187**	**1.958.399**
Total liabilities		**4.739.232**	**4.674.329**

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

MİGROS TİCARET A.Ş AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS AS OF 31 MARCH 2015 AND 31 DECEMBER 2014

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

	Notes	31 March 2015	31 December 2014
EQUITY			
Attributable to equity holders of parent		**935.864**	**918.612**
Share capital	20	178.030	178.030
Other capital reserves		(365)	(365)
Additional contribution to share capital	20	27.312	27.312
Share premium		678.233	678.233
Items that will not be reclassfied subsequently to profit or loss			
Defined benefit plans re-measurement gains / (losses)		(11.347)	(11.347)
Items that may be reclassified subsequently to profit / (losses)			
Cumulative translation differences		39.570	30.196
Restricted reserves		504.766	504.766
Retained earnings		(488.213)	(586.726)
Net income / (loss)		7.878	98.513
Non-controlling interest		**569**	**554**
Total equity		**936.433**	**919.166**
Total liabilities and equity		**5.675.665**	**5.593.495**

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

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

MİGROS TİCARET A.Ş AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2015 AND 2014

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

	Notes	1 January - 31 March 2015	1 January - 31 March 2014
Revenue	3,13	2.074.016	1.772.501
Cost of sales (-)	3,13, 14	(1.514.370)	(1.295.237)
Gross profit	**3, 13**	**559.646**	**477.264**
General administrative expenses (-)	14	(72.533)	(65.129)
Marketing, selling and distribution expenses (-)	14	(408.715)	(348.549)
Other operating income	15	13.122	16.033
Other operating expense (-)	15	(34.304)	(32.393)
Operating profit	**3**	**57.216**	**47.226**
Income from investment activities	16	255	338
Expenses from investment activities (-)	16	(2.687)	(1.076)
Operating income before finance expense / income	**3**	**54.784**	**46.488**
Financial income	17	4.016	15.855
Financial expense (-)	18	(41.662)	(110.473)
Net income / (loss) before tax from continuing operations		**17.138**	**(48.130)**
Tax expense from continuing operations	**19**	**(9.254)**	**(13.094)**
- Income tax expense	19	(12.919)	(16.418)
- Deferred tax expense	19	3.665	3.324
Net income / (loss)		**7.884**	**(61.224)**
Net income / (loss) attributable to:			
- Non-controlling interest		6	13
- Equity holders of parent		7.878	(61.237)
Earning / (loss) per share	22	0,04	(0,34)

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

CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2015 AND 2014

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

	Notes	1 January - 31 March 2015	1 January - 31 March 2014
Net income / (loss) for the period		**7.884**	**(61.224)**
Other comprehensive income / (loss):			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences		9.383	(13.829)
Other comprehensive income / (loss)		**9.383**	**(13.829)**
Total comprehensive income ((loss)		**17.267**	**(75.053)**
Total comprehensive income attributable to:			
Non-controlling interests		15	31
Equity holders of parent		17.252	(75.084)

MİGROS TİCARET A.Ş AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2015 AND 2014

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

					Items that may be reclassified subsequently to profit or loss	Items that will not be reclassified subsequently to profit or loss		Retained earnings				
	Share capital	Other capital reserves	Additional contribution to equity related to mgerger	Share premium	Defined benefit plans re-measurement gains / (losses)	Cumulative translation differences	Restricted reserves	Accumulated (losses) / profits	Net (loss) / profit for the period	Attributable to owners of the parent	Non-controlling interests	Total equity
Balances at 1 January 2014	**178.030**	**(365)**	**27.312**	**678.233**	**(12.839)**	**41.122**	**504.766**	**(123.551)**	**(463.175)**	**829.533**	**691**	**830.224**
Transfers	-	-	-	-	-	-	-	(463.175)	463.175	-	-	-
Total comprehensive income / (loss)	**-**	**-**	**-**	**-**	**-**	**(13.847)**	**-**	**-**	**(61.237)**	**(75.084)**	**31**	**(75.053)**
Net income / (loss) for the period	-	-	-	-	-	-	-	-	(61.237)	(61.237)	13	(61.224)
Cumulative translation differences	-	-	-	-	-	(13.847)	-	-	-	(13.847)	18	(13.829)
Balances at 31 March 2014	**178.030**	**(365)**	**27.312**	**678.233**	**(12.839)**	**27.275**	**504.766**	**(586.726)**	**(61.237)**	**754.449**	**722**	**755.171**
Balances at 1 January 2015	**178.030**	**(365)**	**27.312**	**678.233**	**(11.347)**	**30.196**	**504.766**	**(586.726)**	**98.513**	**918.612**	**554**	**919.166**
Transfers	-	-	-	-	-	-	-	98.513	(98.513)	-	-	-
Total comprehensive income / (loss)	**-**	**-**	**-**	**-**	**-**	**9.374**	**-**	**-**	**7.878**	**17.252**	**15**	**17.267**
Net income / (loss) for the period	-	-	-	-	-	-	-	-	7.878	7.878	6	7.884
Cumulative translation differences	-	-	-	-	-	9.374	-	-	-	9.374	9	9.383
Balances at 31 March 2015	**178.030**	**(365)**	**27.312**	**678.233**	**(11.347)**	**39.570**	**504.766**	**(488.213)**	**7.878**	**935.864**	**569**	**936.433**

MİGROS TİCARET A.Ş AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2015 AND 2014

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

	Notes	1 January - 31 March 2015	1 January - 31 March 2014
Cash flow from operating activities:			
Net income / (loss) for the period		7.884	(61.224)
Adjustments for reconciliation of profit / (loss):			
Adjustments for depreciation and amortisation	5, 6, 7, 14	42.451	38.411
Adjustments for provision for employee termination benefits	12	8.150	9.717
Adjustments for provision for unusued vacation	12	6.156	5.539
Adjustments for provision for litigation	11	2.500	(756)
Adjustments for doubtful receiavable provision	15	548	717
Adjustments for income tax expense	19	9.254	13.094
Interest income	15, 17	(12.685)	(17.580)
Interest expense	15, 18	55.184	61.623
Adjustments for unrecognized foreign exchange differences		8.478	70.350
Adjustments for fair value losses arising from derivatives	17, 18	1.486	2.181
Adjustments for (loss) / gain on sale of property plant and equipment	16	(106)	312
Adjustments for impairment of property, plant and equipment	6, 16	2.538	426
		131.838	**122.810**
Changes in working capital:			
Adjustments for increase / decrease in trade receivables		1.354	(6.395)
Adjustments for increase / decrease in intentories	8	4.863	20.354
Adjustments for increase / decrease in other receivables related with operations		(14.026)	(11.708)
Adjustments for increase / decrease in trade payables		21.181	9.533
Adjustments for increase / decrease in other payables related with operations		(6.911)	(1.616)
		138.299	**132.978**
Cash flows from operating activities:			
Employement termination benefits paid	12	(2.621)	(6.350)
Unused vacation paid	12	(1.439)	(2.021)
Interest received	15	12.399	14.386
Interest paid	15	(29.667)	(27.778)
Taxes paid / return	19	(5.322)	(19.528)
Compensations paid	11	(1.974)	(510)
Net cash provided by operating activities		**109.675**	**91.177**

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

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

MİGROS TİCARET A.Ş AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2015 AND 2014

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

	Notes	1 January - 31 March 2015	1 January - 31 March 2014
Cash flows from investing activities:			
Cash outflows from the purchase of investment properties, tangible and intangible assets	5, 6, 7	(35.320)	(31.863)
Cash inflows from the purchase of tangible and intangible assets	5, 6, 7, 16	392	503
Net cash used in investing activities		**(34.928)**	**(31.360)**
Cash flows from financing activities			
Interest received	17	286	3.194
Net cash provided by financing activities		**286**	**3.194**
Impact of foreign currency translation differences on cash and cash equivalents		**3.451**	**(5.457)**
Net increase in cash and cash equivalents		78.484	57.554
Cash and cash equivalents at the begining of period		**689.074**	**1.038.329**
Cash and cash equivalents at the end of period		**767.558**	**1.095.883**

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 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.

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 27.371.000 TL to its parent company, Moonlight Capital SA, in exchange for 26 TL 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 26.937.336 TL to its parent company, Moonlight Capital SA, in exchange for 26 TL per share on 31 December 2014. As a result of these transactions, as of 31 December 2014, the shareholding of "MH" and Moonlight Capital SA are 50,00% and 30,51%, respectively.

The Company is mainly engaged in the retail sales of food and beverages, consumer and durable goods through its Migros, MJet, 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 2015, the Group operates in 1.227 stores in total (31 December 2014: 1.190) which comprise 1.221 retail stores and 6 wholesale stores with a total net space of 962.133 square meters (31 December 2014: 952.615) including 956.298 square meters for retail and 5.835 square meters for wholesale. Retail is the main business segment of the Group and constitutes almost 97% of gross sales (31 March 2014: 97%).

(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)

The address of the registered office is as follows:

Migros Ticaret A.Ş.
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 11 May 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	March 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 Company maintains its books of account and prepares its statutory financial statements ("Statutory Financial Statements") in accordance with accounting principles in the Turkish Commercial Code and tax legislation. Subsidiaries of the company which currently operate in foreign countries, maintain their books of account and prepare their financial statements in accordance with the local tax legislations of the countries where they are operating and they maintain their books of account and prepare their financial statements in their national currency.

The accompanying financial statements are prepared in accordance with the CMB's Communiqué Serial II, No: 14.1, "Principles of financial reporting in capital markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, financial statements are prepared in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") and its addendum and interpretations ("IFRIC") issued by Public Oversight Accounting and Auditing Standards Authority ("POAASA") Turkish Accounting Standards Board.

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

2.1 Basis of Presentation (Continued)

Financial statements and notes are prepared in accordance with the new format of CMB released on 7 June 2013.

The financial statements have been prepared on the historical cost basis except for the financial assets and liabilities which are expressed with their fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Functional and presentation 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 consolidated condensed financial statements are presented in TL, which is the functional currency of Migros Ticaret A.Ş. and the presentation 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.

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. The Group re-evaluated its restricted reserves and reclassified TL 65.816 from gain on disposal of subsidiary and TL 53.094 from retained earnings to restricted reserves.

2.2. Changes in the Accounting Policies

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

The Group's significant accounting policies that are used for the preparation of condensed consolidated financial statements as of 31 March 2015 are consistent with accounting policies presented in the consolidated financial statements as 31 December 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) Amendments to TFRSs affecting amounts reported and the disclosures in the financial statements

None.

b) The new standards, amendments to published standards and interpretations effective applicable to 31 March 2015

Group has implemented the new and revised standards and interpretations effective from 1 January 2015 which are related to its main operations.

- 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'

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

2.4 New and Revised Turkish Accounting Standards (Continued)

b) The new standards, amendments to published standards and interpretations effective applicable to 31 March 2015 (Continued)

- Annual improvements 2011 - 2013; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2011-2012-213 cycle of the annual improvements project that affect 4 standards:

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

c) The new standards, amendments and interpretations introduced to the prior Financial Statements as of 31 March 2015, however will be effective after 1 April 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.

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

2.4 New and Revised Turkish Accounting Standards (Continued)

c) The new standards, amendments and interpretations introduced to the prior Financial Statements as of 31 March 2015, however will be effective after 1 April 2015 (Continued)

- 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.

- 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.

- TFRS 15 'Revenue from contracts with customers', effective from annual periods beginning on or after 1 January 2017. 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.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
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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 31 March 2015 is as follows:

Segment analysis for the period 1 January - 31 March 2015

	Turkey	Other countries	Combined total	Intersegment eleminations	Total
External revenues	1.964.577	109.439	2.074.016	-	2.074.016
Inter segment revenues	1.015	-	1.015	(1.015)	-
Sales revenue	1.965.592	109.439	2.075.031	(1.015)	2.074.016
Cost of sales	(1.433.046)	(82.339)	(1.515.385)	1.015	(1.514.370)
Gross profit	532.546	27.100	559.646	-	559.646
Selling and marketing expenses	(389.650)	(19.065)	(408.715)	-	(408.715)
General administrative expenses	(64.215)	(8.318)	(72.553)	-	(72.553)
Addition: Depreciation and amortisation	37.592	4.859	42.451	-	42.451
Addition: Provision for employement termination benefits	5.529	-	5.529	-	5.529
Addition: Termination benefits paid	2.621	-	2.621	-	2.621
Addition: Unused vacation provision	4.717	-	4.717	-	4.717
EBITDA	**129.140**	**4.576**	**133.716**	**-**	**133.716**
Addition: Rent expenses	102.493	5.973	108.466	-	108.466
EBITDAR	**231.633**	**10.549**	**242.182**	**-**	**242.182**

(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)

Segment analysis for the period 1 January - 31 March 2014

	Turkey	Other countries	Combined total	Intersegment eleminations	Total
External revnues	1.656.043	116.458	1.772.501	-	1.772.501
Inter segment revenues	1.094	-	1.094	(1.094)	-
Sales revenue	1.657.137	116.458	1.773.595	(1.094)	1.772.501
Cost of sales	(1.208.501)	(87.830)	(1.296.331)	1.094	(1.295.237)
Gross profit	448.636	28.628	477.264	-	477.264
Selling and marketing expenses	(331.226)	(17.323)	(348.549)	-	(348.549)
General administrative expenses	(55.877)	(9.252)	(65.129)	-	(65.129)
Addition: Depreciation and amortisation	33.366	5.045	38.411	-	38.411
Addition: Provision for employement termination benefits	3.367	-	3.367	-	3.367
Addition: Termination benefits paid	6.350	-	6.350	-	6.350
Addition: Unused vacation provision	3.518	-	3.518	-	3.518
EBITDA	**108.134**	**7.098**	**115.232**	**-**	**115.232**
Addition: Rent expenses	87.413	5.094	92.507	-	92.507
EBITDAR	**195.547**	**12.192**	**207.739**	**-**	**207.739**

(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)

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

	1 January - 31 March 2015	**1 January - 31 March 2014**
EBITDAR reported segments	242.182	207.739
Rent expenses	(108.466)	(92.507)
EBITDA reported segments	**133.716**	**115.232**
Depreciation and amortisation	(42.451)	(38.411)
Provision for employee termination benefits	(5.529)	(3.367)
Termination benefits paid	(2.621)	(6.350)
Unused vacation provision	(4.717)	(3.518)
Other operating income	13.122	16.033
Other operating expense (-)	(34.304)	(32.393)
Operating profit	**57.216**	**47.226**
Income from investing activities	255	338
Expense from investing activities (-)	(2.687)	(1.076)
Operating profit beftore finance income / (expense)	**54.784**	**46.488**
Financial income	4.016	15.855
Financial expense (-)	(41.662)	(110.473)
Income / (loss) before tax	**17.138**	**(48.130)**

NOTE 4 - DERIVATIVE FINANCIAL INSTRUMENTS

Short term derivative instruments

	31 March 2015	**31 December 2014**
Forward foreign exchange contracts	733	874
	733	**874**

	31 March 2015	**31 December 2014**
Interest swap contracts	2.421	2.193
Forward foreign exchange contracts	1.150	36
	3.571	**2.229**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
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NOTE 4 - DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Long term derivative instruments

	31 March 2015	31 December 2014
Cap option	5	9
	5	**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 TL and purchases Euro at agreed strike prices. The fair values of the foreign exchange contracts as of 31 March 2015 are as follows:

	Euro amount to be purchased	TL amount to be sold	Fair value (TL)
Forward foreign exchange contracts	40.000	116.008	(417)

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

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

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 31 March 2015 and 31 December 2014 are as follows:

31 March 2015

	Agreement type	Transaction date	Effective date	Expiration date	Derivative instrument amount(EUR)	Fair value (TL)
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	5
Current liabilities	Interest rate swap	20 Nov 2012	30 Nov 2012	30 Nov 2015	200 million	2.421

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
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NOTE 4 - DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

31 December 2014

	Agreement type	Transaction date	Effective date	Expiration date	Derivative instrument amount(EUR)	Fair value (TL)
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

NOTE 5 - INVESTMENT PROPERTY

	1 January 2015	Additions	Disposals	Transfers (*)	Cumulative translation differences	31 March 2015
Cost						
Land and buildings	84.770	174	-	17.761	1.165	103.870
Accumulated depreciation						
Buildings	(37.277)	(892)	-	(6.287)	(194)	(44.650)
Net book value	**47.493**		**-**			**59.220**

	1 January 2014	Additions	Disposals	Transfers	Cumulative translation differences	31 March 2014
Cost						
Land and buildings	76.364	-	-	-	(1.067)	75.297
Accumulated depreciation						
Buildings	(30.097)	(966)	-	-	140	(30.923)
Net book value	**46.267**					**44.374**

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

NOTE 5 - INVESTMENT PROPERTY (Continued)

(*) Ankara Ankamall Shopping Mall Center was transfered from property, plant and equipment and reclassified as investment properties. As of 31 March 2015 the total rentable area is 6.741 square meters (31 December 2014: 2.322 square meters) and its fair value is TL 61.850 (31 December 2014: TL 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.

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 31 March 2015, total investment property of Kazakhstan and Macedonia are 6.453and 7.186 square meters respectively(31 December 2014: Kazakhstan 6.586 square meters, Macedonia 7.017 square meters).

Fair value of the investment properties in Kazakhstan and Macedonia are TL 47.699 and TL 68.053 (31 December 2014: Kazakhstan TL 47.699, Macedonia TL 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 31 March 2015.

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NOTE 6 - PROPERTY, PLANT AND EQUIPMENT

	1 January 2015	Additions	Disposals	Impairment loss(*)	Transfers	Cumulative translation differences	31 March 2015
Cost							
Land and buildings	477.570	2.445	-	-	(17.744)	3.313	465.584
Leasehold improvements	539.917	3.584	-	(12.917)	4.423	2.636	537.643
Machinery and equipments	544.833	5.086	(7.053)	-	9.779	3.106	555.751
Motor vehicles	2.489	-	(148)	-	-	43	2.384
Furniture and fixtures	278.484	5.376	(537)	-	1.369	1.024	285.716
Construction in progress	25.388	14.298	-	-	(15.588)	151	24.249
	1.868.681	**30.789**	**(7.738)**	**(12.917)**	**(17.761)**	**10.273**	**1.871.327**
Accumulated depreciation							
Buildings	(54.678)	(3.190)	-	-	6.287	(1.029)	(52.610)
Leasehold improvements	(226.365)	(11.977)	-	10.379	-	(1.338)	(229.301)
Machinery and equipments	(196.705)	(15.887)	6.854	-	-	(1.988)	(207.726)
Motor vehicles	(1.253)	(321)	143	-	-	(22)	(1.453)
Furniture and fixture	(102.379)	(6.341)	455	-	-	(443)	(108.708)
	(581.380)	**(37.716)**	**7.452**	**10.379**	**6.287**	**(4.820)**	**(599.798)**
Net book value	**1.287.301**						**1.271.529**

(*) Impairment loss amounting to net TL 2.538 consists of leasehold improvements of the stores closed in 2015 (Note:16).

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NOTE 6 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	1 January 2014	Additions	Disposals	Impairment loss(*)	Transfers	Cumulative translation differences	31 March 2014
Cost							
Land and buildings	481.229	635	-	-	2	(3.962)	477.904
Leasehold improvements	494.845	3.595	-	(5.674)	2.251	(3.201)	491.816
Machinery and equipments	476.977	5.442	(6.633)	-	5.986	(4.263)	477.509
Motor vehicles	1.675	703	(25)	-	-	(53)	2.300
Furniture and fixtures	244.092	5.575	(1.508)	-	796	(864)	248.091
Construction in progress	5.185	11.536	-	-	(9.035)	-	7.686
	1.704.003	**27.486**	**(8.166)**	**(5.674)**	**-**	**(12.343)**	**1.705.306**
Accumulated depreciation							
Buildings	(49.940)	(2.412)	-	-	-	1.316	(51.036)
Leasehold improvements	(189.289)	(11.979)	-	5.248	-	2.213	(193.807)
Machinery and equipments	(153.050)	(13.559)	6.242	-	-	2.139	(158.228)
Motor vehicles	(837)	(80)	24	-	-	-	(893)
Furniture and fixtures	(77.222)	(5.903)	1.085	-	-	8	(82.032)
	(470.338)	**(33.933)**	**7.351**	**5.248**	**-**	**5.676**	**(485.996)**
Net book value	**1.233.665**						**1.219.310**

(*) Impairment loss amounting to net TL 426 consists of leasehold improvements of the stores closed in 2014 (Note:16).

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NOTE 7 - INTANGIBLE ASSETS

	1 January 2015	Additions	Disposals	Cumulative translation differences	31 March 2015
Cost					
Trademark (*)	202.175	-	-	-	202.175
Rent agreements (**)	32.982	-	-	-	32.982
Rights	71.071	4.357		368	75.796
Other intangible assets (***)	28.783	-	-	-	28.783
	335.011	**4.357**		**368**	**339.736**
Accumulated amortisation					
Rent agreements (**)	(28.401)	(36)	-	-	(28.437)
Rights	(38.562)	(3.332)	-	(265)	(42.159)
Other intangible assets (***)	(18.631)	(475)	-	-	(19.106)
	(85.594)	**(3.843)**	**-**	**(265)**	**(89.702)**
Net book value	**249.417**				**250.034**

	1 January 2014	Additions	Disposals	Cumulative translation differences	31 March 2014
Cost					
Trademark (*)	202.175	-	-	-	202.175
Rent agreements (**)	32.982	-	-	-	32.982
Rights	55.542	4.377	(49)	(448)	59.422
Other intangible assets (***)	28.783	-	-	-	28.783
	319.482	**4.377**	**(49)**	**(448)**	**323.362**
Accumulated amortisation					
Rent agreements (**)	(26.202)	(550)	-	-	(26.752)
Rights	(27.739)	(2.439)	49	142	(29.987)
Other intangible assets (***)	(15.960)	(523)	-	-	(16.483)
	(69.901)	**(3.512)**	**49**	**142**	**(73.222)**
Net book value	**249.581**				**250.140**

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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 TL 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, 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 local retail chain Maxi Market's Silivri, Tekirdag and Çengelköy stores, with a total sales area of 13.000 square meters, 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 TL 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 square meters 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 TL 18.486, TL 601 for the Mak Gıda and TL 17.885 for Yonca, respectively- was accounted for under other intangible assets and has been amortised over the rent agreement period.

NOTE 8 - INVENTORIES

	31 March 2015	31 December 2014
Raw materials	10.818	6.707
Work in progress	11.268	9.794
Merchandise stocks	933.307	943.619
Other	2.629	2.765
	958.022	**962.885**

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

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NOTE 9 - GOODWILL

	1 January - 31 March 2015	1 January - 31 March 2014
Opening balance	2.251.427	2.251.427
Closing balane	2.251.427	2.251.427

NOTE 10 - FINANCIAL LIABILITIES

	31 March 2015		
	Weighted average interest rate	**Euro**	**Total TL equivalent**
Current portion of long term borrowings			
With fixed interest rate	%2,00	125	354
With floating intersest rate	%4,13	210.942	597.156
Total current bank borrowings		**211.067**	**597.510**
Non-current bank borrowings			
With fixed interest rate	%2,00	124	351
With floating intersest rate	%4,13	631.927	1.788.922
Total non-current bank borrowings		**632.051**	**1.789.273**
Total financial liabilities		**843.118**	**2.386.783**

The redemption schedule of long-term bank borrowings with TL equivalents at 31 March 2015 is as follows:

	Euro	TL
1 April 2016 - 31 March 2017	234.171	662.915
1 April 2017 - 31 March 2018	257.452	728.820
1 April 2018 - 31 May 2018	140.428	397.538
	632.051	**1.789.273**

The fair value of bank borrowings at 31 March 2015 is TL 2.379.380.

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NOTE 10 - FINANCIAL LIABILITIES (Continued)

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. was provided as collateral to the financial institutions as from the grant date of the loan. As of 31 March 2015, shares of Migros Ticaret A.Ş. which represents 80,51% of shares and amounting to 143.323.336 TL nominal value (14.332.333.600 shares) owned by MH Perakendecilik ve Ticaret A.Ş. and Moonlight Capital S.A. is pledged (31 December 2014: 14.332.333.600 shares representing 80,51%.).

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 TL 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. In accordance with this signed refinancing agreement, the short term portion of long term borrowings is expected to decrease to approxiametely 13.671 EUR by the utilisation date.

	31 December 2014		
	Weighted average interest rate	**Euro**	**Total TL equivalent**
Current portion of long term borrowings			
With fixed interest rate	%2,00	124	350
With floating interest rate	%4,13	201.940	569.613
Total current bank borrowings		**202.064**	**569.963**
Non-current bank borrowings			
With fixed interest rate	%2,00	124	350
With fixed floating rate	%4,13	631.927	1.782.476
Total non-current bank borrowings		**632.051**	**1.782.826**
Total financial liabilities		**834.115**	**2.352.789**

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NOTE 10 - FINANCIAL LIABILITIES (Continued)

The redemption schedule of long-term bank borrowings with TL equivalents at 31 December 2014 is as follows:

	Euro	**TL**
1 January 2016 - 31 December 2016	234.171	660.526
1 January 2017 - 31 December 2017	257.452	726.194
1 January 2018 - 31 May 2018	140.428	396.106
	632.051	**1.782.826**

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

NOTE 11 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

Short-term provisions	**31 March 2015**	**31 December 2014**
Provision for litigation	27.104	26.578
Provision for tax penalty (*)	46.399	44.503
	73.503	**71.081**

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 VAT accounts due to the discounts 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 TL 27.484 (TL 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 kind of legal rights including compromise is going to be applied for the related amounts. For this reason, the Group recognized a provision of TL 27.484 for the principal part and TL 17.020 for the interest charges (a total amount of TL 44.503) in 31 December 2014 financial tables. In 31 March 2015 financial tables, an additional provision of TL 1.896 TL was accrued for interest charges and the total provision for tax fine was recognized as TL 46.399.

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

Movement of provision for lawsuits is as follows:

1 January 2014	**22.430**
Increase during period	(756)
Payments during period	(510)
31 March 2014	**21.164**
1 January 2015	**26.578**
Increase during period	2.500
Payments during period	(1.974)
31 March 2015	**27.104**

Collaterals, Pledges, Mortgages

31 March 2015:

	Total TL amount	**TL**	**USD**	**Euro**
A. CPM given on behalf of the Company's legal personality	74.815	73.512	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	**74.815**	**73.512**	**472**	**25**
Proportion of the other CPM's to equity	**0,0%**			

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

31 December 2014:

	Total TL amount	TL	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	**0,0%**			

Contingent assets and liabilities

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

	31 March 2015	31 December 2014
Letter of guarantees given	74.815	74.332
	74.815	**74.332**

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

	31 March 2015	31 December 2014
Guarantees obtained from customers	96.363	97.727
Morgages obtained from customers	20.746	19.999
	117.109	**117.726**

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

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.

	31 March 2015	31 December 2014
Payable within 1 year	26.612	26.907
Payable in 1 to 5 years	6.734	7.170
5 years and more	1.030	1.262
	34.376	**35.339**

NOTE 12 - PROVISION FOR EMPLOYEE BENEFITS

	31 March 2015	31 December 2014
Provision for unused vacation	67.701	62.984
Provision for employee termination benefits	61.377	55.848
	129.078	**118.832**

Movement of unused vacation provision is as follows:

1 January 2014	**52.577**
Increase during period	5.539
Payments during period	(2.021)
31 March 2014	**56.095**
1 January 2015	**62.984**
Increase during year	6.156
Payments during period	(1.439)
31 March 2015	**67.701**

(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 EMPLOYEE BENEFITS (Continued)

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

1 January 2014	**43.954**
Increase during period	9.717
Paymetns during period	(6.350)
31 March 2014	**47.321**
1 January 2015	**55.848**
Increase during period	8.150
Payments during period	(2.621)
31 March 2015	**61.377**

Provision for employee 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 TL 3.541,37 (31 December 2014: TL 3.438,22) for each year of service at 31 March 2015.

The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees.

NOTE 13 - REVENUE

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

	1 January - 31 March 2015	**1 January - 31 March 2014**
Domestic sales	2.022.108	1.702.141
Foreign sales	105.191	116.236
Other sales	6.312	3.856
Gross sales	**2.133.611**	**1.822.233**
Discounts and returns (-)	(59.595)	(49.732)
Sales revenue, net	**2.074.016**	**1.772.501**
Cost of sales	(1.514.370)	(1.295.237)
Gross profit	**559.646**	**477.264**

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

NOTE 13 - REVENUE (Continued)

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

	1 January - 31 March 2015	**1 January - 31 March 2014**
Retail sales revenue	2.062.539	1.763.550
Rent income	17.781	17.751
Wholesale revenue	46.979	37.076
	2.127.299	**1.818.377**

NOTE 14 - EXPENSE BY NATURE

Total	**1 January - 31 March 2015**	**1 January- 31 March 2014**
Staff costs	200.508	169.398
Rent	108.466	92.507
Depreciation and amortisation	42.451	38.411
Energy	27.425	24.406
Transportation	18.251	17.727
Advertising	15.543	13.251
Porterage and cleaning	13.265	11.151
Warehouse	12.611	10.908
Repair and maintanence	7.306	6.163
Security	5.636	4.946
Mechanisation	5.010	3.992
Taxes and other fees	2.956	2.086
Communication	2.174	2.026
Other	19.646	16.706
	481.248	**413.678**

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

Marketing, selling and distrbution expenses	1 January - 31 March 2015	1 January - 31 March 2014
Staff costs	176.763	147.895
Rent	108.304	92.366
Energy	27.145	24.156
Transportation	18.251	17.718
Advertising	15.529	13.251
Porterage and cleaning	12.845	10.777
Warehouse	12.611	10.908
Repair and maintanence	7.146	6.046
Security	5.429	4.765
Mechanisation	4.015	3.500
Taxes and other fees	2.781	1.855
Communication	1.858	1.609
Other	16.038	13.703
	408.715	**348.549**

General administrative expenses	1 January - 31 March 2015	1 January - 31 March 2014
Depreciation and amortisation	42.451	38.411
Staff costs	23.745	21.503
Other	6.337	5.215
	72.533	**65.129**

Expenses by nature in cost of sales for the periods 1 January - 31 March 2015 and 2014 are as follows:

	1 January - 31 March 2015	1 January - 31 March 2014
Cost of goods sold	(1.506.422)	(1.288.321)
Cost of service rendered	(7.948)	(6.916)
	(1.514.370)	**(1.295.237)**

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

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
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NOTE 15 - OTHER OPERATING INCOME AND EXPENSES

Other operating income	1 January - 31 March 2015	1 January - 31 March 2014
Interest income on term sales	7.755	8.676
Interest income from operating acti vities	4.644	5.710
Gain on sale of scrap goods	370	30
Provision write-off	110	166
Gain on damage insurance	2	298
Litigation provision	-	756
Other	241	397
	13.122	**16.033**

Other operating expenses	1 January - 31 March 2015	1 January - 31 March 2014
Interest expense on term purchases	(29.667)	(27.778)
Litigation provision	(2.500)	-
Bad debt provision expense	(548)	(717)
Losses from prior period rent differences	(207)	(452)
Other	(1.382)	(3.446)
	(34.304)	**(32.393)**

NOTE 16 - INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

Income from investing activities	1 January - 31 March 2015	1 January - 31 March 2014
Gain on sale of property, plant and equipment	255	338
	255	**338**

Expense from investing activities	1 January - 31 March 2015	1 January - 31 March 2014
Losses from closed stores	(2.538)	(426)
Loss on sale of property, plant and equipment	(149)	(650)
	(2.687)	**(1.076)**

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NOTE 17 - FINANCIAL INCOME

	1 January - 31 March 2015	1 January - 31 March 2014
Foreign expense gains	2.997	12.661
Financial income on derivatives	733	-
Interest income on bank deposits	286	3.194
	4.016	**15.855**

NOTE 18 - FINANCIAL EXPENSES

	1 January - 31 March 2015	1 January - 31 March 2014
Interest expense on bank borrowings	(25.517)	(33.845)
Foreign exchange losses	(9.617)	(72.662)
Financial expense on derivativies	(2.219)	(2.181)
Other	(4.309)	(1.785)
	(41.662)	**(110.473)**

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

	31 March 2015	31 December 2014
Taxes and fund payable	12.919	63.724
Less: Prepaid current income taxes	(2.207)	(60.609)
Taxes on income	**10.712**	**3.115**

	31 March 2015	31 December 2014
Deferred tax assets	37.113	34.421
Deferred tax liabilities	(149.253)	(149.632)
Deferred tax liabilities, net	**(112.140)**	**(115.211)**

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.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
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NOTE 19 - TAXES ON INCOME (DEFERRED TAX ASSET AND LIABILITIES INCLUDED) (Continued)

In Turkey, corporation tax rate as of 31 March 2015 is 20% (2014: 20%).

Implied corporation 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.

The details of taxation on income for the periods ended 31 March 2015 and 2014 are as follows:

	1 January - 31 March 2015	1 January - 31 March 2014
Current period tax expense	(12.919)	(16.418)
Deferred tax expense	3.665	3.324
	(9.254)	**(13.094)**

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.

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

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 31 March 2015deferred 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).

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 2015 and 31 December 2014 using the currently enacted tax rates, is as follows:

	Cumulative temporary differences		**Deferred tax assets / (liabilities)**	
	31 March 2015	**31 December 2014**	**31 March 2015**	**31 December 2014**
Deferred tax assets:				
Fair value change of derivative instruments	3.571	2.229	714	446
Short term provsions	94.805	89.562	18.961	17.912
Inventories	20.027	19.593	4.005	3.919
Provision for employee termination benefits	61.377	55.848	12.275	11.170
Unincurred interest income	141	196	28	39
Other	5.648	4.677	1.130	935
	185.569	**172.105**	**37.113**	**34.421**
Deferred tax liabilities:				
Fair value change of derivative instruments	(738)	(882)	(148)	(176)
Property, plant and equiment	(758.748)	(762.124)	(144.608)	(145.245)
Unincurred interest expense	(19.967)	(18.335)	(3.993)	(3.667)
Other	(2.520)	(2.719)	(504)	(544)
	(781.973)	**(784.060)**	**(149.253)**	**(149.632)**
Total deferred tax liability, net	**(596.404)**	**(611.955)**	**(112.140)**	**(115.211)**

Deferred income tax assets	**31 March 2015**	**31 December 2014**
Deferred tax assets to be recovered after more than 12 months	12.990	11.615
Deferred tax assets to be recovered within 12 months	24.123	22.806
	37.113	**34.421**

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

Deferred income tax liabilities	**31 March 2015**	**31 December 2014**
Deferred tax liabilities to be settled after more than 12 months	(145.100)	(145.805)
Deferred tax assets to be settled within 12 months	(4.153)	(3.827)
	(149.253)	**(149.632)**
Deferred tax liabilities, net	**(112.140)**	**(115.211)**

1 January 2015	**(115.211)**
Deferred tax income from continuing operations	3.665
Cumulative translation difference	(594)
31 March 2015	**(112.140)**
1 January 2014	**(114.857)**
Deferred tax expense from continuing operations	3.324
Cumulative translation difference	(472)
31 March 2014	**(112.005)**

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 31 March 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 27.371.000 TL to its parent company, Moonlight Capital SA, in exchange for 26 TL 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 26.937.336 TL to its parent company, Moonlight Capital SA, in exchange for 26 TL per share on 31 December 2014.

As a result of these transactions, as of 31 December 2014, the shareholding of "MH" and Moonlight Capital SA are 50,00% and 30,51%, respectively.

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NOTE 20 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

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

	31 March 2015		31 December 2014	
	TL	**Share %**	**TL**	**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**

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 174.323.340 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 21 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

a) Balances with related parties

Due from related parties	**31 March 2015**	**31 December 2014**
Mavi Jeans Giyim Sanayi ve Ticaret A.Ş.	33	38
Tekin Acar Büyük Mağazacılık T.A.Ş.	-	6
	33	**44**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)
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NOTE 21 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Due to related parties	**31 March 2015**	**31 December 2014**
Natura Gıda San. ve Tic. A.Ş.	1.011	1.084
Diğer	87	86
	1.098	**1.170**

b) Transactions with related parties

Inventory purchases	**31 March 2015**	**31 March 2014**
Natura Gıda San. ve Tic. A.Ş.	332	342
	332	**342**

Other transactions	**31 March 2015**	**31 March 2014**
Rent income	177	300
Other	60	51
	237	**351**

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 31 March 2015 and 31 March 2014 is as follows:

	31 March 2015	**31 March 2014**
Short term benefits	2.870	2.756
	2.870	**2.756**

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

	31 March 2015	**31 March 2014**
Net income / (loss) attributable to shareholders	7.878	(61.237)
Weighted average number of shares with Kr1 face value each('000)	17.803.000	17.803.000
Earning / (loss) per share	**0,04**	**(0,34)**

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 31 March 2015, if Euro had appreciated against TL by 5% and all other variables had remained constant, the profit for the period before tax as a result of foreign exchange rate difference arising out of assets and liabilities denominated in Euro would have been less in the amount of TL 117.850.

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

FOREIGN CURRENCY POSITION

	31 March 2015				31 December 2014			
	Total TL equivalent	USD	Euro	Other TL equivalent	Total TL equivalent	USD	Euro	Other TL equivalent
Trade receivables	6.112	242	-	5.480	6.192	343	-	5.396
Monetary financial assets	67.159	9.718	11.563	9.059	49.014	9.225	6.554	9.137
Other	16.406	934	-	13.966	18.217	1.456	24	14.774
Current assets	**89.677**	**10.894**	**11.563**	**28.505**	**73.423**	**11.024**	**6.578**	**29.307**
Other	46.091	-	-	46.091	45.821	-	-	45.821
Non-current assets	**46.091**	**-**	**-**	**46.091**	**45.821**	**-**	**-**	**45.821**
Total assets	**135.768**	**10.894**	**11.563**	**74.596**	**119.244**	**11.024**	**6.578**	**75.128**
Trade payables	16.379	707	122	14.189	18.952	1.128	174	15.845
Financial liabilities	597.510	-	211.067	-	569.963	-	202.064	-
Non-monetary other liabilities	2.831	474	-	1.594	5.737	2.030	-	1.030
Current liabilities	**616.720**	**1.181**	**211.189**	**15.783**	**594.652**	**3.158**	**202.238**	**16.875**
Financial liabilities	1.789.273	-	632.051	-	1.782.826	-	632.051	-
Non-monetary other liabilities	2.624	-	927	-	2.404	-	852	-
Non-current liabilities	**1.791.897**	**-**	**632.978**	**-**	**1.785.230**	**-**	**632.903**	**-**
Total liabilities	**2.408.617**	**1.181**	**844.167**	**15.783**	**2.379.882**	**3.158**	**835.141**	**16.875**

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

FOREIGN CURRENCY POSITION

	31 March 2015				31 December 2014			
	Total TL equivalent	**USD**	**Euro**	**Other TL equivalent**	**Total TL equivalent**	**USD**	**Euro**	**Other TL 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	**(2.272.849)**	**9.713**	**(832.604)**	**58.813**	**(2.260.638)**	**7.866**	**(828.563)**	**58.253**
Net foreign currency asset / (liability) position of monetary items	**(2.329.891)**	**9.253**	**(831.677)**	**350**	**(2.316.535)**	**8.440**	**(827.735)**	**(1.312)**
Fair value hedge funds of foreign currency	(417)	-	-	-	838	-	-	-
Hedge amount of foreign currency assets	-	-	-	-	-	-	-	-
Hedge amount of foreign currency liabilities	113.236	-	40.000	-	67.697	-	24.000	-
Export	-	-	-	-	-	-	-	-
Import	22.814	8.978	-	-	73.066	33.286	-	-

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

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

31 March 2015

	Gain / Loss	
	Foreign exchange appreciation	**Foreign exchange depreciation**
%5 change in Euro exchange rate		
Euro net asset / liability	(117.850)	117.850
Portion secured from Euro risk	-	-
Euro net effect	**(117.850)**	**117.850**

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 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.

NOTE 25 - SUBSEQUENT EVENTS

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 TL 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. In accordance with this signed refinancing agreement, the short term portion of long term borrowings is expected to decrease to approxiametely 13.671 EUR by the utilisation date.

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