MİGROS TÜRK TİCARET ANONİM ŞİRKETİ

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2008 TOGETHER WITH INDEPENDENT AUDITOR'S REVIEW REPORT

(ORIGINALLY ISSUED IN TURKISH)

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CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REVIEW REPORT ORIGINALLY ISSUED IN TURKISH

REPORT ON REVIEW OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the Board of Directors of Migros Türk Ticaret Anonim Şirketi

Introduction

1. We have reviewed the accompanying consolidated balance sheet of Migros Türk Ticaret Anonim Şirketi and its subsidiaries ("Group") as of 30 June 2008, and the related consolidated statement of income, changes in shareholders' equity and cash flows for the six-month period then ended. The Group management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with the financial reporting standards issued by the Capital Markets Board. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of review

2. We conducted our review in accordance with the principles and standards on the review of interim financial statements as set out in "Section 34 of the Communique No: X-22 on the auditing standards issued by the Capital Markets Board". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with independent auditing standards issued by the Capital Markets Board and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an independent audit opinion.

Conclusion

3. Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements are not prepared, in all material respects, in accordance with financial reporting standards issued by the Capital Markets Board (Note 2).

Additional paragraph for convenience translation into English

4. The accounting principles described in Note 2 to the interim consolidated financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting for the period between 1 January - 31 December 2005. Accordingly, the accompanying interim consolidated financial statements are not intended to present the financial position and results of operations of the Group in accordance with IFRS.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers

Originally issued and signed in Turkish

Adnan Akan, SMMM
Partner

İstanbul, 26 August 2008

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

MİGROS TÜRK TİCARET ANONİM ŞİRKETİ

CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 30 JUNE 2008

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

MİGROS TÜRK TİCARET ANONİM ŞİRKETİ

CONSOLIDATED INTERIM BALANCE SHEETS AT 30 JUNE 2008 AND 31 DECEMBER 2007

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

	Notes	30 June 2008	31 December 2007
ASSETS			
Current assets			
Cash and cash equivalents	4	500.446	396.952
Financial assets	5	459.091	628.767
Trade receivables	7	24.882	27.808
Due from related parties	26	2.858	41.293
Other receivables	8	679	593
Inventories	9	433.768	400.517
Other current assets	16	30.626	168.595
Total current assets		**1.452.350**	**1.664.525**
Non-current assets			
Trade receivables	8	800	733
Financial assets	5	2.215	1.706
Goodwill	13	234.466	234.466
Investment property	10	9.612	9.145
Property, plant and equipment	11	744.344	736.117
Intangible assets	12	179.969	179.626
Other non-current assets	16	719	3.407
Total non-current assets		**1.172.125**	**1.165.200**
Total assets		**2.624.475**	**2.829.725**

These consolidated interim financial statements as at and for the period ended 30 June 2008 have been approved for issue by the Board of Directors on 26 August 2008.

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

MİGROS TÜRK TİCARET ANONİM ŞİRKETİ

CONSOLIDATED INTERIM BALANCE SHEETS AT 30 JUNE 2008 AND 31 DECEMBER 2007

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

	Notes	30 June 2008	31 December 2007
LIABILITIES			
Current liabilities			
Financial liabilities	6	65.232	117.828
Trade payables	7	914.871	871.489
Due to related parties	26	3.973	54.663
Other payables	8	18.187	20.702
Provisions	14	21.631	43.158
Other current liabilities	16	62.436	72.207
Total current liabilities		**1.086.330**	**1.180.047**
Non-current liabilities			
Financial liabilities (net)	6	48.273	142.663
Other liabilities	8	3.757	3.602
Deferred income tax liabilities	24	17.449	20.015
Provision for employee termination benefits	15	15.517	14.065
Total non-current liabilities		**84.996**	**180.345**
Total liabilities		**1.171.326**	**1.360.392**
EQUITY	17		
Attributable to equity holders of the parent		**1.452.830**	**1.469.068**
Share capital		178.030	178.030
Equity inflation restatement differences		(77.165)	(77.165)
Share premium		18.854	18.854
Financial assets fair value reserve		(19.685)	24.543
Cumulative translation differences		47	(6.457)
Restricted reserves		462.896	18.487
Additional contribution to shareholders' equity related to merger		119.422	119.422
Prior years' income		643.450	640.479
Net income for the period		126.981	552.875
Minority interest	**3.i**	**319**	**265**
Total equity		**1.453.149**	**1.469.333**
Total liabilities and equity		**2.624.475**	**2.829.725**

Commitments, contingent assets and liabilities 14

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

MİGROS TÜRK TİCARET ANONİM ŞİRKETİ

CONSOLIDATED INTERIM STATEMENTS OF INCOME FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2008 AND 2007

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

	Notes	1 January- 30 June 2008	1 April- 30 June 2008	1 January- 30 June 2007	1 April- 30 June 2007
CONTINUING OPERATIONS					
Revenue	3,18	2.364.285	1.211.928	2.028.218	1.061.445
Cost of sales (-)	3,18	(1.759.157)	(884.801)	(1.529.636)	(797.700)
GROSS PROFIT		**605.128**	**327.127**	**498.582**	**263.745**
Marketing, selling and distribution expenses (-)	19	(374.890)	(199.071)	(306.672)	(157.036)
General administrative expenses (-)	19	(102.183)	(53.055)	(99.956)	(54.201)
Other operating income	20	28.459	24.405	9.745	7.572
Other operating expense (-)	20	(12.213)	(10.662)	(1.148)	(620)
OPERATING PROFIT	**3**	**144.301**	**88.744**	**100.551**	**59.460**
Shares of income of investments accounted through equity method		-	-	(650)	(654)
Financial income	21	72.441	35.601	40.555	26.192
Financial expense (-)	22	(67.711)	(41.361)	(36.698)	(21.057)
NET INCOME BEFORE TAX FROM CONTINUING OPERATIONS		**149.031**	**82.984**	**103.758**	**63.941**
Income tax expense from continuing operations	24	**(22.028)**	**(10.990)**	**(22.771)**	**(14.954)**
Taxes on income (-)		(24.263)	(11.438)	(2.400)	(1.227)
Deferred income tax		2.235	448	(20.371)	(13.727)
NET INCOME FROM CONTINUING OPERATIONS		**127.003**	**71.994**	**80.987**	**48.987**
DISCONTINUED OPERATIONS					
Net income from discontinued operations after income tax		**-**	**-**	**(1.608)**	**(2.279)**
NET INCOME FOR THE PERIOD		**127.003**	**71.994**	**79.379**	**46.708**
Attributable to:					
Equity holders of the parent		**126.981**	**71.988**	**79.358**	**46.700**
Minority interest		**22**	**6**	**21**	**8**
Earnings per share from continuing operations (YKr)		0,71	0,40	0,45	0,28
Earnings per share	25	0,71	0,40	0,45	0,26

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

MİGROS TÜRK TİCARET ANONİM ŞİRKETİ

CONSOLIDATED INTERIM STATEMENTS OF CHANGE IN EQUITY
FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2008 AND 2007

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

	Share capital	Equity inflation restatement differences	Share premium	Financial assets fair value reserve	Cumulative translation differences	Restricted reserves	Additional contribution to shareholders' equity related to merger	Prior years' income	Net income for the period	Minority interest	Total shareholders' equity
Balances at 1 January 2007	**176.267**	**(77.165)**	**18.854**	**14.865**	**(30.202)**	**13.410**	**119.422**	**608.633**	**78.686**	**199**	**922.969**
Transfers	-	-	-	-	-	5.077	-	39.525	(44.602)	-	-
Dividends paid	-	-	-	-	-	-	-	(5.916)	(34.084)	-	(40.000)
Cumulative translation differences	-	-	-	-	(10.120)	-	-	-	-	(10)	(10.130)
Financial assets fair value loss, net of tax	-	-	-	4.368	-	-	-	-	-	-	4.368
Net income for the period	-	-	-	-	-	-	-	-	79.358	21	79.379
Balances at 30 June 2007	**176.267**	**(77.165)**	**18.854**	**19.233**	**(40.322)**	**18.487**	**119.422**	**642.242**	**79.358**	**210**	**956.586**
Balances at 1 January 2008	**178.030**	**(77.165)**	**18.854**	**24.543**	**(6.457)**	**18.487**	**119.422**	**640.479**	**552.875**	**265**	**1.469.333**
Transfers	-	-	-	-	-	444.409	-	2.971	(447.380)	-	-
Dividends paid	-	-	-	-	-	-	-	-	(105.495)	-	(105.495)
Cumulative translation differences	-	-	-	-	6.504	-	-	-	-	32	6.536
Financial assets fair value loss, net of tax	-	-	-	(44.228)	-	-	-	-	-	-	(44.228)
Net income for the period	-	-	-	-	-	-	-	-	126.981	22	127.003
Balances at 30 June 2008	**178.030**	**(77.165)**	**18.854**	**(19.685)**	**47**	**462.896**	**119.422**	**643.450**	**126.981**	**319**	**1.453.149**

MİGROS TÜRK TİCARET ANONİM ŞİRKETİ

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2008 AND 2007

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

	Notes	30 June 2008	30 June 2007
Operating activities:			
Net income from continuing operations		126.981	80.966
Net income from discontinued operations		-	(1.608)
Adjustments to reconcile net income to net cash provided / used by operating activities:			
Minority interest		22	21
Share of loss of associates		-	650
Depreciation and amortisation	10,11,12	48.279	56.319
Provision for employment termination benefits	15	5.312	4.716
Income tax expense	24	22.028	22.771
Interest income	21	(68.074)	(23.911)
Interest expense	22	65.929	36.126
Losses / (profits) from sales of tangible assets (net)	20	3.555	(4.120)
Allowance for property, plant and equipment impairment		63	-
Available-for-sale investment sales gain		(21.245)	-
Unrecognised exchange rate differences		(575)	(36.798)
Cash flows from operating activities before changes in operating assets and liabilities		**182.275**	**135.132**
Changes in operating assets and liabilities-net			
Trade receivables		2.926	(19.791)
Due from related parties		38.435	4.334
Inventories		(33.251)	27.812
Other current assets and other receivables		147.056	9.159
Trade payables		43.382	(81.306)
Due to related parties		(50.690)	(4.303)
Other current liabilities and provisions		(5.086)	31.532
Other non-current assets		2.621	2.647
Income taxes paid	14	(50.952)	(3.863)
Employment termination benefits paid	15	(3.860)	(2.802)
Net cash provided by operating activities		**272.856**	**98.551**
Investing activities:			
Purchases of property, plant and equipment	11	(54.536)	(92.767)
Proceeds from sale of property, plant and equipment		545	20.931
Change in fair value of financial assets- net		137.976	40.654
Purchase of intangible assets	12	(1.371)	(1.260)
Interest received		39.655	24.377
Acquisition of additional share of available-for-sale investments		(509)	-
Proceeds from sale of available-for-sale investments		36.688	-
Net cash provided from / (used in) investing activities		**158.448**	**(8.065)**
Financing activities:			
Decrease in bank borrowings		(154.334)	(36.876)
Interest paid		(67.178)	(38.500)
Dividends paid		(105.495)	(40.000)
Net cash used in financing activities		**(327.007)**	**(115.376)**
Cumulative translation adjustment		(803)	3.036
Net increase in cash and cash equivalents		103.494	(21.854)
Cash and cash equivalents at the beginning of the period	4	**396.952**	**345.611**
Cash and cash equivalents at the end of the period	4	**500.446**	**323.757**

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

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Migros Türk Ticaret Anonim Şirketi ("Migros" or the "Company") was established in 1954 and is registered in Istanbul, Turkey under the Turkish Commercial Code.

The Company is mainly engaged in the retail sales of food and beverages, and consumer and durable goods through its Migros, Şok, Tansaş and Macrocenter stores, shopping centres, Ramstores abroad and internet sales. The Company also rents floor space in the shopping malls to other trading companies. For the six month period ended 30 June 2008, average number of people employed by Migros and its Subsidiaries (collectively referred as the "Group") is 15.009 (30 June 2007: 18.399). As of 30 June 2008, the Group operates in 1.051 stores (31 December 2007: 953) with a net retail space of 638.171 (31 December 2007: 603.769) square meters. Retail is the main business segment of the Group and constitutes almost 97,2% of gross sales (1 January -30 June 2007: 96,7%). Therefore, in accordance with the International Accounting Standard 14 ("IAS 14"), Segment Reporting, retail is the sole reportable business segment.

The address of the registered office is as follows:

Migros Türk T.A.Ş.
Turgut Özal Bulvarı No:6
Ataşehir 34758 Kadıköy
İstanbul

The parent of the Company is Moonlight Perakendecilik ve Ticaret A.Ş. ("Moonlight") (31 December 2007: Koç Holding A.Ş) (Note 17) and the shares of the Company are publicly traded on the Istanbul Stock Exchange ("ISE").

Koç Holding A.Ş. ("Koç Holding"), the former parent of the Company, and Moonlight Capital S.A., controlled by BC Partners Ltd., have signed a Share Purchase Agreement ("SPA") on 13 February 2008 on the sale of 50,83% shares owned by Koç Holding in the Company. The transfer of control took place on 30 May 2008 after the Competition Board permission required for the transfer was received.

Subsidiaries:

The Company has the following subsidiaries (the "Subsidiaries"). The nature of the business of the Subsidiaries and for the purpose of the consolidated interim financial statements, their respective geographical segments are as follows (see also Note 2. - Basis of presentation of financial statements):

Subsidiaries	Country of incorporation	Geographical segment	Nature of business
Ramstore Mahdud Mesuliyyetli Cemiyeti ("Ramstore Azerbaijan")	Azerbaijan	Azerbaijan	Retailing
Ramstore Bulgaria E.A.D. ("Ramstore Bulgaria") (**)	Bulgaria	Bulgaria	Dormant
Ramstore Kazakhstan LLC ("Ramstore Kazakhstan") (***)	Kazakhstan	Kazakhstan	Retailing
Ramstore Macedonia DOO ("Ramstore Macedonia")	Macedonia	Bulgaria	Retailing
Ramstore Bishkek LLC ("Ramstore Bishkek")	Kyrgyzstan	Kazakhstan	Retailing
Şok Marketler Ticaret A.Ş. ("Şok Marketler")	Turkey	(*)	Trade (Dormant)
Sanal Merkez Ticaret A.Ş. ("Sanal Merkez")	Turkey	(*)	Trade

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

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

(**) By closing down its three retail stores, Ramstore Bulgaria has ceased its retail operations in the first half of 2007.

(***) As of 18 September 2006, the name of the Limited Liability Company Rambutya was changed to Ramstore Kazakhstan LLP.

The addresses of the registered offices of the Subsidiaries within the scope of consolidation are as follows:

- Ramstore Mahdud Mesuliyyetli Cemiyeti
  Babek Prospekti 1129.cu Mehelle 1025
  Baku, Azerbaijan

- Ramstore Bulgaria E.A.D.
  33, Layosh Koshut Str., fl. 5, apt. 26,
  region Krasno selo
  Sofia, Bulgaria

- Ramstore Bishkek LLC
  Gorkiy Str. 27/1, Pervomaisky District
  Bishkek, Kyrgyzstan

- Ramstore Macedonia DOO Skopje
  Mito Hadzivasilev Jasmin B.B.,
  1000 Skopje, Macedonia

- Ramstore Kazakhstan LLC
  226 Furmanov St.,
  Almaty 050059, Kazakhstan

Interests in Joint-venture:

The Group and Enka Holding Investment S.A. have signed a Share Purchase Agreement on 11 September 2007 on the sale of 50% shares in the joint venture Limited Liability Company Ramenka ("Ramenka") in exchange of USD 542,5 million and the share transfer is completed on 9 November 2007 as the preliminary conditions are fulfilled (Note 23). The results of Ramenka are included in the consolidated interim financial statements until the date of disposal. The nature of business of the Joint-venture and for the purpose of the consolidated interim financial statements, its geographical segment is as follows:

Join-venture	Joint-venture partner	Country of incorporation	Geographical segment	Nature of business
Limited Liability Company Ramenka ("Ramenka")	ENKA Holding Investment S.A., Entrade GmbH	Russian Federation	Russian Federation	Retailing, leasing and management of shopping centres

The address of the registered office of the Joint-venture is as follows:

19/1 Yartsevskaya St. 121351 Moscow, Russian Federation.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

Basis of presentation

A) Financial Reporting Standards

The Capital Markets Board of Turkey ("CMB") regulated the principles and procedures of preparation, presentation and announcement of financial statements prepared by the entities with the Communiqué No: XI-29, "Principles of Financial Reporting in Capital Markets" ("the Communiqué"). This Communiqué is effective for the annual periods starting from 1 January 2008 and supersedes the Communiqué No: XI–25, "The Financial Reporting Standards in the Capital Markets". According to the Communiqué, entities shall prepare their financial statements in accordance with International Financial Reporting Standards ("IAS/IFRS") endorsed by the European Union. Until the differences of the IAS/IFRS as endorsed by the European Union from the ones issued by the International Accounting Standards Board ("IASB") are announced by Turkish Accounting Standards Board ("TASB"), IAS/IFRS issued by the IASB shall be applied. Accordingly, Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") issued by the TASB which are in line with the aforementioned standards shall be considered.

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

As the differences of the IAS/IFRS endorsed by the European Union from the ones issued by the IASB have not been announced by TASB as of the date of preparation of these consolidated interim financial statements, the consolidated interim financial statements have been prepared within the framework of Communiqué XI, No: 29 and related promulgations to this Communiqué as issued by the CMB in accordance with the accounting and reporting principles accepted by the CMB ("CMB Financial Reporting Standards") which are based on IAS/IFRS. The consolidated interim financial statements and the related notes to them are presented in accordance with the formats required by the CMB including the compulsory disclosures. Accordingly, required reclassifications have been made in the comparative financial statements (Note 2.C.y).

B) Translation of Financial Statements of Foreign Subsidiaries

Financial statements of Subsidiaries operating in foreign countries are prepared according to the legislation of the country in which they operate and adjusted to the CMB Financial Reporting Standards to reflect the proper presentation and content. Foreign Subsidiaries' assets and liabilities are translated into YTL from the foreign exchange rate at the balance sheet date and income and expenses are translated into YTL at the average foreign exchange rate. Exchange differences arising from the retranslation of the opening net assets of foreign undertakings and differences between the average and balance sheet date rates are included in the "cumulative translation differences" under the equity.

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

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

C) Basis of Consolidation

a) The consolidated interim financial statements include the accounts of the parent company, Migros, and its Subsidiaries on the basis set out in sections (b) to (e) below. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated interim financial statements and have been prepared in accordance with CMB Financial Reporting Standards applying uniform accounting policies and presentation. The results of Subsidiaries are included or excluded from their effective dates of acquisition or disposal respectively.

b) Subsidiaries are companies over which Group has power to control the financial and operating policies for the benefit of Migros through the power to exercise more than 50% of the voting rights.

The table below sets out all Subsidiaries and demonstrates their shareholding structures:

	Direct and indirect shareholding by Migros and its Subsidiaries (%)	
Subsidiary	30 June 2008	31 December 2007
Ramstore Azerbaijan (1)	100,00	100,00
Ramstore Bulgaria (1), (2)	100,00	99,99
Ramstore Kazakhstan (1)	100,00	100,00
Ramstore Macedonia (1)	99,00	99,00
Ramstore Bishkek (1)	100,00	100,00
Şok Marketler (3)	99,60	99,60
Sanal Merkez (3)	100,00	69,99

(1) The balance sheets and income statements of the Subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by the Company and its Subsidiaries is eliminated against the related shareholders' equity. Intercompany transactions and balances between the Company and its Subsidiaries are eliminated on consolidation. The cost of, and the dividends arising from, shares held by the Company and its Subsidiaries in the Subsidiaries are eliminated from shareholders' equity and income for the period, respectively.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. Where necessary, accounting policies of Subsidiaries have been changed to ensure the consistency with the policies adopted by the Group.

(2) Ramstore Bulgaria closed down its three stores and ceased its retail operations as of March 2007.

(3) Şok Marketler and Sanal Merkez are excluded from the scope of consolidation on the grounds of materiality. These Subsidiaries have been classified and accounted for as financial assets in the consolidated interim financial statements (Note 5).

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

c) Investments in which the Group has an interest of below 20% or over which the Group does not exercise a significant influence are considered as available-for-sale investments and accounted for at their fair value in the financial statements. However, if the fair value cannot be measured reliably, they are accounted for at purchase cost less impairment, if applicable (Note 5).

d) The results of foreign Subsidiaries are translated into New Turkish lira at average rates for the period. The assets and liabilities of foreign subsidiaries are translated into New Turkish Lira at the closing rate for the period. Exchange differences arising on the retranslation of the opening net assets of foreign Subsidiaries and differences between the average and period-end rates are included in the translation reserve.

e) The minority shareholders' share in the net assets and results for the period for Subsidiaries are separately classified in the consolidated balance sheet and statement of income as minority interest and income or loss attributable to minority interest, respectively.

Changes and Errors in the Accounting Policies

Material changes in accounting policies or material errors are corrected, retrospectively; by restating the prior period consolidated financial statements. There are no changes in the accounting policies for the interim period of 1 January - 30 June 2008.

Changes in the Accounting Estimates

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. There are no changes in the accounting estimates for the interim period of 1 January - 30 June 2008.

Summary of Significant Accounting Policies

a) Revenue

Revenues are recognised on an accrual basis at the time deliveries are made, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group at the fair value of considerations received or receivable. Net sales represent the invoiced value of goods sold less sales returns, discounts and commission (Note 18).

Retail sales are made in exchange for cash or credit card receipts. Recorded sales represent gross amounts including credit card transaction fees.

Revenues and discounts from suppliers, sales premiums and advertising participation fees are accounted on an accrual basis and booked against cost of goods sold.

Other revenues earned by the Group are recognised on the following bases:

Royalty and rental income - on an accrual basis.
Interest income - on an effective yield basis.
Dividend income - when the right to receive a dividend is established.

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

b) Inventories

Inventories are valued at the lower of cost or net realisable value less costs to sell. Cost of inventories is comprised of the purchase cost and the cost of bringing inventories into their present location and condition. Cost is determined by the monthly moving weighted average method. Net realisable value less costs to sell is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale (Note 9).

c) Property, plant and equipment

Property, plant and equipment are carried at the beginning cost restated to the equivalent purchasing power at 31 December 2004 and the acquisition value of current period additions less accumulated depreciation and, if any, impairment value (Note 11). Depreciation is provided over the economic useful lives for property, plant and equipment on a straight-line basis.

The depreciation period for property, plant and equipment which approximate the economic useful lives of such assets, are as follows:

	Useful Lives (Years)
Buildings	25-50
Leasehold improvements	over period of lease (*)
Machinery and equipment	4-10
Furniture and fixtures	5-12
Motor vehicles	4-8

(*) Leasehold improvements include the expenses made for the leased properties and are depreciated over the shorter of the lease term and their useful lives.

Depreciation is provided for assets when they are ready for utilisation. Depreciation continues to be provided on assets when they become idle.

Where the carrying amount of an asset is greater than its recoverable amount, it is written down immediately to its recoverable amount.

Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with their carrying amounts and are included in the related income and expense accounts, as appropriate.

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

d) Intangible assets

Intangible assets, other than goodwill and intangible assets with indefinite useful lives comprise acquired intellectual property and other identified rights. They are recorded at acquisition cost and amortised on a straight-line basis over their estimated useful lives for a period not exceeding 10 years from the date of acquisition. Intangible assets (such as trademarks) with indefinite useful lives are not amortised.

Where an indication of impairment exists, the carrying amount of any intangible asset is assessed and written down immediately to its recoverable amount. Intangible assets with indefinite useful lives are tested annually for permanent impairment (Note 12).

e) Business combinations and goodwill

A business combination is the bringing together of separate entities or businesses into one reporting entity. Business combinations are accounted for using the purchase method.

The cost of a business combination is allocated by recognising the acquiree's identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill has been recognised as an asset and has initially been measured as the excess of the cost of the combination over the fair value of the acquiree's assets, liabilities and contingent liabilities. In business combinations, the acquirer recognises identifiable assets (such as deferred tax on carry forward losses), intangible assets (such as trademarks) and/or contingent liabilities which are not included in the acquiree's financial statements at their fair values in the consolidated financial statements. The goodwill previously recognised in the financial statements of the acquiree is not considered as an identifiable asset.

The carrying value of goodwill is reviewed annually and adjusted for permanent impairment where it is considered necessary. Within the context of IFRS 3 - "Business Combinations" amortisation accounting is not applied for goodwill related to acquisitions after 31 March 2004, and the carrying value of goodwill is reviewed annually and adjusted for impairment where it is considered necessary. The carrying amount of negative goodwill related to acquisitions after 31 March 2004 has been reviewed and accounted for as income in the related period. In accordance with IFRS 3, the Group ceased to amortise the negative goodwill associated with the transactions before 31 March 2004 at the beginning of the first annual period beginning after 31 March 2004 (1 January 2005). The carrying value of goodwill is reviewed annually for permanent impairment and the impairment provision, if any, is immediately recognised in the consolidated statements of income.

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

f) Impairment of assets

At each reporting date, the Group assesses whether there is any indication that an asset other than deferred tax asset, intangible assets with indefinite useful lives, financial assets at fair value and goodwill may be impaired. When an indication of impairment exists, the Group estimates the recoverable values of such assets. Impairment exists if the carrying value of an asset or a cash generating unit is greater than its recoverable amount which is the higher of value in use or fair value less costs to sell. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. An impairment loss is recognised immediately in profit or loss. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash flows from other assets or group of assets.

An impairment loss recognised in prior period for an asset is reversed if the subsequent increase in the asset's recoverable amount is caused by a specific event since the last impairment loss was recognised. Such a reversal amount cannot be higher than the previously recognised impairment loss and shall not exceed the carrying amount that would have been determined, net of amortisation or depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognized as income in the consolidated financial statements.

g) Borrowing costs

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method; any difference between proceeds, net of transaction costs, and the redemption value is recognised in the income statement over the period of the borrowings. Borrowing costs are charged to the income statement when they are incurred. However, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale, in accordance with the allowed alternative treatment in International Accounting Standard 23 ("Borrowing Costs") was revised on 29 March 2007 by the IASB. Besides, the revised IAS 23 is effective at 1 January 2009, yet voluntary early transition to the application right is reserved. As per revised IAS 23, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale. All other borrowing costs are charged to the income statement when they are incurred.

h) Financial Instruments

Trade receivables

Trade receivables that are created by the Group by way of providing goods or services directly to a debtor are carried at amortised cost using the effective yield method.

A credit risk provision for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception. If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other income.

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

Loans originated by the Company

When the loan is originated by the Group by providing money directly to a bank, the loan is secured with marketable securities, Turkish government bonds and treasury bills, acquired under reverse repurchase agreements with banks with a predetermined sale price at fixed future dates and is stated at amortised cost. The accrued interest represents the apportionment to the current period of the difference between future sale prices and the amount provided by the Group. Such originated loans where original maturity at the time the money is directly transferred to the bank is less than three months, are considered and classified as cash equivalents for the purposes of cash flow statements.

Investment securities

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale in accordance with the requirements of IAS 39, "Financial Instruments". These are included in non-current assets unless management has the express intention of holding the investment for less than 12 months from the balance sheet date or unless they will need to be sold to raise operating capital, in which case they are included in current assets. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Within the context of the changes in IAS 39, unrealized gains and losses arising from changes in the fair value of available-for-sale financial assets, net of deferred tax, are recognized under a separate line "financial assets fair value reserve" in shareholders' equity. Changes in the fair values of available-for-sale financial assets are determined as the difference between their fair values and their amortised costs at the balance sheet date. Gains and losses previously recognized in financial assets fair value reserve are transferred to the statement of income when such available-for-sale financial assets are derecognised.

All investment securities are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment. After initial recognition, investment securities classified as available-for-sale are measured at fair value unless fair value cannot be reliably measured.

For investments under a 20% shareholding where there is no quoted market price and where a reasonable estimate of fair value cannot be determined since other methods are inappropriate and unworkable, they are carried at cost less any impairment in value.

i) Foreign currency transactions and translations

Transactions in foreign currencies during the period have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated at the exchange rates prevailing at the balance sheet date. Exchange gains or losses arising on the settlement and translation of foreign currency items have been included in the statement of income.

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

j) Earnings per share

Earnings per share disclosed in the consolidated interim statement of income are determined by dividing net profit by the weighted average number of shares that have been outstanding during the period concerned. The weighted average number of shares outstanding during the period has been adjusted in respect of bonus shares issued without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and for each earlier year (Note 25).

k) Subsequent events

The Group adjusts the amounts recognized in the consolidated financial statements to reflect the adjusting events after the balance sheet date. If non-adjusting events after the balance sheet date have material influences on the economic decisions of users of the financial statements, they are disclosed in the notes to the consolidated financial statements.

l) Provisions, contingent liabilities and contingent assets

The conditions which are required to be met in order to recognise a provision in the consolidated financial statements are those that the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount of the provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

Liabilities or assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of the entity should not be recognised as liabilities or assets, however they should be disclosed as contingent liabilities or assets.

m) Leases

Finance leases

Leases of property, plant and equipment where the Group substantially assumes all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the finance balance outstanding. The corresponding lease obligations, net of finance charges, are included as finance lease obligations. The interest element of the finance cost is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leases are depreciated over the useful life of the asset (Note 11).

Obligations under finance leases are stated in the financial statements at the acquisition values of the related property, plant and equipment. Future interest payments inherent in the lease contract are charged to the statement of income over the period of the lease.

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

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Prepayments for land leases

Prepayments for operational land leases of land plots on which stores are constructed are expensed over the life of the respective lease, which is generally 49 years.

n) Related parties

For the purpose of these consolidated interim financial statements, shareholders, in each case together with their families and companies controlled by or affiliated with them, key management personnel and Board members, in each case together with their families and companies controlled by or affiliated with them and associated companies are considered and referred to as related parties (Note 26). As indicated in Note 1, within the context of the sale of Migros shares by Koç Holding at 30 May 2008, transactions with Koç Holding Group of companies until this date have been disclosed as transactions with related parties.

o) Segment reporting

Retail is the main business segment of the Group. Other business segments, as described in IAS 14, are not material to be reported separately. Reportable segments comprise the geographical segments as stated in Note 3.

p) Government incentives and grants

Government incentives, including non-monetary grants at fair value, are included in the financial statements only if there is reasonable assurance that the Company will fulfill all required conditions and acquire the incentive.

q) Investment property

Land and buildings held to earn rent or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business are classified as investment property and carried at cost less accumulated depreciation (except land) under the cost method. The cost of a self-constructed investment property is its cost at the date when the construction or development is complete. Until that date, the Group applies IAS 16, Property, Plant and Equipment. At that date, the property becomes investment property and thus it is transferred to investment property (Note 10).

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

r) Taxes on income

Taxes include current period income tax liabilities and deferred tax assets and liabilities. A provision is recognized for the current year tax liability based on the period results of the Group at the balance sheet date (Note 14 and Note 24).

Deferred income tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes currently enacted tax rates are used to measure deferred income tax (Note 24).

Deferred income tax liabilities are recognised for all taxable temporary differences, whereas deferred income tax assets resulting from deductible temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilised.

When the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority and there is a legally enforceable right to offset current tax assets against current tax liabilities, deferred tax assets and deferred tax liabilities are offset accordingly.

s) Employment termination benefits

The provision for employment termination benefits represents the present value of the estimated total reserve of the future probable obligation of the Group arising from the retirement of the employees in accordance with the Turkish Labour Law and calculated by applying actuarial valuation methods (Note 15).

t) Statement of cash flows

Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements.

Cash flows from operating activities represent the cash flows of the Group generated from retailing activities.

Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (fixed investments and financial investments).

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

Cash and cash equivalents comprise cash on hand and bank deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash with maturities equal or less than three months and which are subject to an insignificant risk of changes in value (Note 4).

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

u) Discontinued operations

According to International Financial Reporting Standard 5 ("IFRS 5") "Non-current Assets Held for Sale and Discontinued Operations", the discontinued operation is the part of an entity which either is classified as held-for-sale or has been disposed of and whose activities and cash flows can be treated as separable from the entity's activities and cash flows. Discontinued operations represent separate business or geographical segments, which are part of a plan to sell or dispose, or is a subsidiary acquired for selling.

Net assets of discontinued operations are measured at fair value less cost to sell. An analysis of the revenue, expenses and pre-tax profit or loss of discontinued operations, income tax expense of discontinued operations and the gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal groups constituting the discontinued operation are disclosed in the notes to the consolidated financial statements. Besides, the net cash flows attributable to the operating, investing and financing activities of discontinued operations are separately disclosed either in the notes or on the face of consolidated financial statements.

v) Offsetting

All items with significant amounts and nature, even with similar characteristics, are presented separately in the financial statements. Insignificant amounts are grouped and presented by means of items having similar substance and function. When the nature of transactions and events necessitate offsetting, presentation of these transactions and events over their net amounts or recognition of the assets after deducting the related impairment are not considered as a violation of the rule of non-offsetting. As a result of the transactions in the normal course of business, revenue other than sales are presented as net provided that the nature of the transaction or the event will qualify for offsetting.

y) Comparatives and restatement of prior year financial statements

In order to determine the financial status and performance trends, the financial statements of the Group have been prepared in comparison with the financial statements of previous periods. The Group prepared its consolidated balance sheet as of 30 June 2008 in comparison with the consolidated balance sheet prepared as of 31 December 2007; prepared the consolidated statement of income, consolidated statement of changes in shareholders' equity and consolidated cash flow statement pertaining to interim period between 1 January - 30 June 2008 in comparison with the interim period between 1 January - 30 June 2007.

Comparative information has been reclassified when seemed necessary in order to correlate with the presentation of current period consolidated financial statements.

The Group has performed reclassifications in the consolidated interim balance sheet as of 31 December 2007 in order to conform to presentation of balance sheet as of 30 June 2008. Such reclassifications are explained as follows:

i) Capital reserves amounting to YTL 71.932 classified in "extraordinary reserves" on the consolidated balance sheet of 31 December 2007 are reclassified under "retained earnings" (Note 17).

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

ii) Legal reserves inflation adjustment differences, extraordinary reserves inflation adjustment differences and share premium inflation adjustment differences amounting to YTL 252.923 classified in "equity inflation restatement differences" on the consolidated balance sheet at 31 December 2007 are reclassified under "retained earnings" (Note 17).

iii) Deposits and guarantees given amounting to YTL 2 in "trade receivables", time deposits with a maturity of more than three months amounting to YTL 26.387 in "cash and cash equivalents", marketable securities with a maturity of less than three months amounting to YTL 536 in "financial assets", financial assets amounting to YTL 36.688 under "non-current assets", deposits and guarantees amounting to YTL 733 in "long-term trade receivables", property, plant and equipment advances amounting to YTL 1.112 in "Property, Plant and Equipment", "Property, Plant and Equipment" amounting to YTL 9.145, leasehold improvements amounting to YTL 3.588 in "other non-current assets" and order advances given amounting to YTL 227 in "inventories" on the balance sheet at 31 December 2007 are reclassified into "other receivables", "financial assets", "cash and cash equivalents", "financial assets" under "current assets", "other receivables", "other current assets", "investment property", "property, plant and equipment" and "other current assets", respectively.

iv) Deposits and guarantees received amounting to YTL 3.602 in "long-term trade payables" and provision for employment termination benefits amounting to YTL 14.065 in "long-term provisions" on the balance sheet at 31 December 2007 are reclassified into "other non-current liabilities" and "provision for employment termination benefits", respectively.

v) Foreign exchange gains and interest income amounting to YTL 60.723 in "other income" and rent expense amounting to YTL 1.403 in "general administrative expenses" on the statement of income for the six month period ended 30 June 2007 are reclassified into "financial income" and "marketing, selling and distribution expenses", respectively. Foreign exchange losses amounting to YTL 15.670 in "other expense" on the statement of income for the six month period ended 30 June 2007 is reclassified into "other income" after deducting the portion of Joint-venture which has been disclosed as "discontinued operations" in accordance with IFRS 5.

vi) As indicated in Note 1, within the context of the disposal of Ramenka shares by the Company at 9 November 2007, the results of this Joint-venture for the six month period ended 30 June 2007 are not included in the consolidated interim statements of income, consolidated interim statements of cash flows and related notes in accordance with the International Financial Reporting Standard 5 ("IFRS 5") "Non-current Assets Held for Sale and Discontinued Operations", rather they are disclosed separately.

Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish

The accounting principles described in Note 2 - "Summary of Significant Accounting Policies" from (a) to (v) to the consolidated interim financial statements (defined as CMB Accounting Standards) differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting, for the period between 1 January - 31 December 2005. Accordingly, the accompanying consolidated interim financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

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

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

Significant Accounting Estimates, Assumptions

The preparation of financial statements necessitates the use of estimates and assumptions that affect asset and liability amounts reported as of the balance sheet date, explanations of contingent liabilities and assets; and income and expense amounts reported for the accounting period. Although these estimates and assumptions are based on all management information related to the events and transactions, actual results may differ from them.

Information and Disclosure of which is required by CMB

In accordance with the Communiqué Serial:XI No:29 of CMB and announcements clarifying this communiqué, it is mandatory for enterprises to disclose the hedging rate of their total foreign exchange liability as well as total export and import amounts in the notes to their financial statements.

NOTE 3 - SEGMENT REPORTING

In these consolidated interim financial statements for the period of 1 January - 30 June 2008, the primary reportable segments comprise the geographical segments.

Geographical segments are distinguishable economic components of an enterprise subject to risks and returns that are different from those operating in other economic environments.

Wholesale and rent income are not identified as reportable businesses on the grounds of materiality in accordance with IAS 14 and accordingly the industrial segments are not presented as secondary segment reporting (Note 18). Within this framework, retailing is presented as the sole reportable business segment in these consolidated interim financial statements.

a) Net Sales

	1 January - 30 June 2008	1 April - 30 June 2008	1 January - 30 June 2007	1 April - 30 June 2007
Turkey	2.263.882	1.161.926	1.942.283	1.019.030
Kazakhstan	77.289	38.265	64.077	32.374
Bulgaria	14.133	7.282	13.749	6.008
Azerbaijan	8.981	4.455	8.109	4.033
Net sales from continuing operations	**2.364.285**	**1.211.928**	**2.028.218**	**1.061.445**
Net sales from discontinued operations	**-**	**-**	**235.841**	**113.127**

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

NOTE 3 - SEGMENT REPORTING (Continued)

b) Operating revenue

	1 January - 30 June 2008	1 April - 30 June 2008	1 January - 30 June 2007	1 April - 30 June 2007
Turkey	135.304	85.285	89.004	51.642
Kazakhstan	6.083	2.516	5.923	3.111
Bulgaria	2.064	557	5.322	4.529
Azerbaijan	850	386	302	178
Operating revenue from continuing operations	**144.301**	**88.744**	**100.551**	**59.460**
Operating revenue from discontinued operations	**-**	**-**	**4.057**	**886**

c) Segment analysis for the interim period 1 January - 30 June 2008

	Turkey	Azerbaijan	Bulgaria	Kazakhstan	Combined Total	Inter segment elimination	Consolidated Total	Discontinued operations
External revenues	2.263.882	8.981	14.133	77.289	2.364.285	-	2.364.285	-
Inter segment revenues	2.503	-	-	-	2.503	(2.503)	-	-
Sales revenue	2.266.385	8.981	14.133	77.289	2.366.788	(2.503)	2.364.285	-
Cost of goods sold	(1.689.061)	(6.512)	(8.596)	(57.491)	(1.761.660)	2.503	(1.759.157)	-
Gross margin	577.324	2.469	5.537	19.798	605.128	-	605.128	-
Selling and marketing expenses	(362.714)	(632)	(1.621)	(9.923)	(374.890)	-	(374.890)	-
General administrative expenses	(94.856)	(998)	(2.022)	(4.307)	(102.183)	-	(102.183)	-
Other operating income, net	15.550	11	170	515	16.246	-	16.246	-
Operating revenue	**135.304**	**850**	**2.064**	**6.083**	**144.301**	**-**	**144.301**	**-**

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

NOTE 3 - SEGMENT REPORTING (Continued)

d) Segment analysis for the interim period 1 April - 30 June 2008

	Turkey	Azerbaijan	Bulgaria	Kazakhstan	Combined Total	Inter segment elimination	Consolidated Total	Discontinued operations
External revenues	1.161.926	4.455	7.282	38.265	1.211.928	-	1.211.928	-
Inter segment revenues	1.358	-	-	-	1.358	(1.358)	-	-
Sales revenue	1.163.284	4.455	7.282	38.265	1.213.286	(1.358)	1.211.928	-
Cost of goods sold	(849.851)	(3.207)	(4.547)	(28.554)	(886.159)	1.358	(884.801)	-
Gross margin	313.433	1.248	2.735	9.711	327.127	-	327.127	-
Selling and marketing expenses	(192.815)	(332)	(781)	(5.143)	(199.071)	-	(199.071)	-
General administrative expenses	(48.769)	(537)	(1.467)	(2.282)	(53.055)	-	(53.055)	-
Other operating income, net	13.436	7	70	230	13.743	-	13.743	-
Operating revenue	**85.285**	**386**	**557**	**2.516**	**88.744**	**-**	**88.744**	**-**

e) Segment analysis for the interim period 1 January - 30 June 2007

	Turkey	Azerbaijan	Bulgaria	Kazakhstan	Combined Total	Inter segment elimination	Consolidated Total	Discontinued operations
External revenues	1.942.283	8.109	13.749	64.077	2.028.218	-	2.028.218	235.841
Inter segment revenues	2.354	-	-	-	2.354	(2.354)	-	-
Sales revenue	1.944.637	8.109	13.749	64.077	2.030.572	(2.354)	2.028.218	235.841
Cost of goods sold	(1.469.751)	(6.069)	(8.533)	(47.637)	(1.531.990)	2.354	(1.529.636)	(162.406)
Gross margin	474.886	2.040	5.216	16.440	498.582	-	498.582	73.435
Selling and marketing expenses	(296.795)	(595)	(1.973)	(7.309)	(306.672)	-	(306.672)	(42.076)
General administrative expenses	(93.481)	(1.153)	(1.921)	(3.401)	(99.956)	-	(99.956)	(22.365)
Other operating income, net	4.394	10	4.000	193	8.597	-	8.597	(4.937)
Operating revenue	**89.004**	**302**	**5.322**	**5.923**	**100.551**	**-**	**100.551**	**4.057**

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

NOTE 3 - SEGMENT REPORTING (Continued)

f) Segment analysis for the interim period 1 April - 30 June 2007

	Turkey	Azerbaijan	Bulgaria	Kazakhstan	Combined Total	Inter segment elimination	Consolidated Total	Discontinued operations
External revenues	1.019.030	4.033	6.008	32.374	1.061.445	-	1.061.445	113.127
Inter segment revenues	1.072	-	-	-	1.072	(1.072)	-	-
Sales revenue	1.020.102	4.033	6.008	32.374	1.062.517	(1.072)	1.061.445	113.127
Cost of goods sold	(767.935)	(3.008)	(3.670)	(24.159)	(798.772)	1.072	(797.700)	(77.541)
Gross margin	252.167	1.025	2.338	8.215	263.745	-	263.745	35.586
Selling and marketing expenses	(152.458)	(295)	(804)	(3.479)	(157.036)	-	(157.036)	(18.811)
General administrative expenses	(50.894)	(555)	(942)	(1.810)	(54.201)	-	(54.201)	(11.367)
Other operating income, net	2.827	3	3.937	185	6.952	-	6.952	(4.522)
Operating revenue	**51.642**	**178**	**4.529**	**3.111**	**59.460**	**-**	**59.460**	**886**

g) Segment assets

Total assets

	30 June 2008	31 December 2007
Turkey	2.637.834	2.850.958
Kazakhstan	64.327	67.005
Bulgaria	42.071	35.866
Azerbaijan	10.496	8.971
Total combined	2.754.728	2.962.800
Less: Inter-segment elimination	(130.253)	(133.075)
Total assets as per consolidated financial statements	**2.624.475**	**2.829.725**

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

NOTE 3 - SEGMENT REPORTING (Continued)

Net assets

	30 June 2008	**31 December 2007**
Turkey	1.492.683	1.522.493
Kazakhstan	41.959	35.729
Bulgaria	37.460	31.241
Azerbaijan	7.813	6.689
Total combined	1.579.915	1.596.152
Less: Inter-segment elimination	(126.766)	(126.819)
Total equity per consolidated financial statements	**1.453.149**	**1.469.333**

h) Capital expenditures, depreciation and amortisation

	1 January - 30 June 2008	**1 April - 30 June 2008**	**1 January - 30 June 2007**	**1 April - 30 June 2007**
Capital expenditures				
Turkey	52.919	37.856	72.511	48.626
Kazakhstan	2.954	2.538	704	529
Azerbaijan	20	20	69	45
Bulgaria	15	5	34	27
Discontinued operations	-	-	20.709	8.553
	55.908	**40.419**	**94.027**	**57.780**

	1 January - 30 June 2008	**1 April - 30 June 2008**	**1 January - 30 June 2007**	**1 April - 30 June 2007**
Depreciation and amortisation				
Turkey	46.079	23.264	44.853	22.465
Kazakhstan	1.425	849	857	385
Bulgaria	597	288	925	345
Azerbaijan	178	86	185	89
Discontinued operations	-	-	9.499	4.409
	48.279	**24.487**	**56.319**	**27.693**

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

NOTE 3 - SEGMENT REPORTING (Continued)

i) Minority interest

	30 June 2008	31 December 2007
Bulgaria	319	265
	319	**265**

NOTE 4 - CASH AND CASH EQUIVALENTS

	30 June 2008	31 December 2007
Cash	17.142	22.050
Banks		
- demand deposits	28.936	53.112
- time deposits	224.366	109.376
Available-for-sale investments	11.752	536
Cheques in collection	99	112
Other cash and cash equivalents, net	218.151	211.766
	500.446	**396.952**

Weighted average effective interest rates on YTL denominated time deposits at 30 June 2008 are 18,86% (31 December 2007: 17,65%) and 4,85%. As of 31 December 2007, weighted average effective interest rates of US dollar denominated time deposits which have been disclosed in Note 27 are 9,47%. Weighted average effective interest rates of Euro denominated time deposits which have been disclosed in Note 27 are 3,64% (31 December 2007: 3,58%). Available-for-sale investments are formed of government bonds and treasury bills with a maturity of less than 90 days and their weighted average effective interest rates are 16,65%. Other cash and cash equivalents mainly include receivables on credit card slips with a maturity of less than 35 days (31 December 2007: less than one month) and they are discounted with annual rate of 18,87%.

The maturity analysis of time deposits at 30 June 2008 and 31 December 2007 is as follows:

	30 June 2008	31 December 2007
1-30 days	224.163	97.680
31- 90 days	203	11.696
	224.366	**109.376**

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

NOTE 4 - CASH AND CASH EQUIVALENTS (Continued)

The analysis of cash and cash equivalents in terms of consolidated interim statements of cash flows at 30 June 2008 and 2007 is as follows:

	30 June 2008	30 June 2007
Cash and cash equivalents	500.446	292.733
Marketable securities with a maturity less than 3 months	-	31.024
	500.446	**323.757**

NOTE 5 - FINANCIAL ASSETS

	30 June 2008	31 December 2007
Short-term available-for-sale investments	458.179	602.380
Time deposits	912	26.387
Short-term financial assets	**459.091**	**628.767**
Long-term available-for-sale investments	2.215	1.706
Long-term financial assets	**2.215**	**1.706**

Short-term available-for-sale investments:

	30 June 2008		31 December 2007	
	Weighted average effective interest rate p.a.	Amount	Weighted average effective interest rate p.a.	Amount
Treasury bills and government bonds	17,43%	458.179	17,67%	537.992
Time deposits	7,50%	912	5,25%	26.387
Eurobond (USD)	-	-	10,68%	26.847
Eurobond (EUR)	-	-	5,50%	853
		459.091		**592.079**

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

NOTE 5 - FINANCIAL ASSETS (Continued)

The analysis of marketable securities by maturity at 30 June 2008 and 31 December 2007 is as follows:

	30 June 2008	31 December 2007
Period remaining to maturity:		
91-180 days	20.219	26.446
181 days-1 year	76.636	104.872
Over 1 year	362.236	460.761
	459.091	**592.079**

Listed financial assets:

	30 June 2008		31 December 2007	
	Share	Amount	Share	Amount
Tat Konserve San. A.Ş. ("Tat Konserve") (*)	-	-	2,87%	11.860
				11.860

Unlisted financial assets:

	30 June 2008		31 December 2007	
	Share	Amount	Share	Amount
Sanal Merkez Ticaret A.Ş.	100,00%	1.695	69,99%	1.186
Şok Marketler Ticaret A.Ş.	99,60%	520	99,60%	520
Koçtaş Yapı Marketleri A.Ş. ("Koçtaş") (*)	-	-	9,24%	23.099
Tanı Pazarlama A.Ş. (**)	-	-	32,00%	1.729
		2.215		**26.534**

(*) As indicated in Note 1, within the context of the sale of Migros shares by Koç Holding, the Company has sold its shares in Tat Konserve and Koçtaş to Koç Holding or Koç Group companies on 22 May 2008 in exchange of YTL 11.860 and YTL 23.099, respectively. The sales prices of Tat Konserve and Koçtaş shares are determined as the fair value based on the closing price on the Istanbul Stock Exchange at 30 September 2007 and as the fair value determined by professional independent valuers by performing discounted cash flows method at 30 September 2007, respectively. Sales profit amounting to YTL 21.245 is accounted for as other income in the consolidated interim financial statements (Note 20).

(**) As indicated in Note 1, within the context of the sale of Migros shares by Koç Holding, the Company has sold its shares in Tanı Pazarlama to Koç Holding or Koç Group companies on 21 May 2008 in exchange of YTL 1.729. The sales price of Tanı Pazarlama shares which is accounted for under associates by using the equity accounting method is determined at its carrying value in the consolidated financial statements at 31 December 2007.

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

NOTE 5 - FINANCIAL ASSETS (Continued)

Şok Marketler and Sanal Merkez are the subsidiaries that are not included in the scope of consolidation on the grounds of materiality due to the insignificance of their impact on the consolidated net worth, financial position and results of Migros.They are accounted for under long-term available-for-sale investments at cost restated to the purchasing power of YTL at 31 December 2004 as they do not have quoted market prices in active markets.

NOTE 6 - FINANCIAL LIABILITIES

	30 June 2008			
	Weighted average interest rate p.a.	**US dollar**	**Euro**	**YTL**
Current portion of long-term bank borrowings				
-with fixed interest rates	5,99%	1.661	135	2.292
-with floating interest rates	4,42%	51.434	-	62.940
Current portion of long-term bank borrowings		**53.095**	**135**	**65.232**
Long-term bank borrowings				
-with fixed interest rates	5,99%	240	992	2.204
-with floating interest rates	4,42%	37.647	-	46.069
Long-term bank borrowings		**37.887**	**992**	**48.273**
Total bank borrowings		**90.982**	**1.127**	**113.505**

	31 December 2007			
	Weighted average interest rate p.a.	**US dollar**	**Euro**	**YTL**
Current portion of long-term bank borrowings				
-with fixed interest rates	6,80%	1.753	124	2.254
-with floating interest rates	6,24%	70.827	19.344	115.574
Current portion of long-term bank borrowings		**72.580**	**19.468**	**117.828**
Long-term bank borrowings				
-with fixed interest rates	6,80%	1.048	992	2.916
-with floating interest rates	6,24%	64.706	37.647	139.747
Long-term bank borrowings		**65.754**	**38.639**	**142.663**
Total bank borrowings		**138.334**	**58.107**	**260.491**

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

NOTE 6 - FINANCIAL LIABILITIES (Continued)

The redemption schedule of long-term bank borrowings at 30 June 2008 is as follows:

	US dollar	Euro	YTL
1 July 2009 -30 June 2010	27.885	124	34.362
1 July 2010 -30 June 2011	10.002	124	12.477
1 July 2011 -30 June 2012	-	124	239
1 July 2012 -30 June 2013	-	124	239
1 July 2013 -30 June 2014	-	124	239
1 July 2014 and over	-	372	717
	37.887	**992**	**48.273**

The fair value of long-term bank borrowings at 30 June 2008 is YTL 118.569. (31 December 2007: YTL 268.189).

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

Trade receivables:

	30 June 2008	31 December 2007
Receivables from tenants and wholesale activities	24.533	26.363
Doubtful receivables	6.955	6.541
Notes receivable	854	1.736
	32.342	34.640
Less: Provision for doubtful receivables	(6.918)	(6.332)
Unearned finance income on term sales	(542)	(500)
Short-term trade receivables, net	**24.882**	**27.808**

The maturities of trade receivables are generally less than one month at 30 June 2008 (31 December 2007: less than one month) and they were discounted with the annual rate of 18,91% (31 December 2007: 16,15%).

As of 30 June 2008, YTL 653 (31 December 2007: YTL 1.602) of total trade receivables are 37 (31 December 2007: 13) days overdue where these receivables are not assessed as doubtful by management.

Provisions for doubtful receivables are accounted for in accordance with the Group's past experiences, accordingly, management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the Company's trade receivables.

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

NOTE 7 - TRADE RECEIVABLES AND PAYABLES (Continued)

Movement of provision for doubtful receivables is as follows:

	2008	**2007**
1 January	**6.332**	**6.651**
Current year charge (Note 20)	760	772
Current year charge of discontinued operations	-	327
Reversal	(190)	(43)
Cumulative translation adjustment	16	(162)
30 June	**6.918**	**7.545**

Trade payables:

	30 June 2008	**31 December 2007**
Supplier current accounts	930.214	885.060
Less: Unincurred finance cost on term purchases	(15.343)	(13.571)
Short-term trade payables, net	**914.871**	**871.489**

The maturity of trade payables is generally less than three months (31 December 2007: less than three months) and they are discounted with annual rate of 18,72% as of 30 June 2008 (31 December 2007: annual 15,96%).

NOTE 8 - OTHER RECEIVABLES AND PAYABLES

Other receivables:

	30 June 2008	**31 December 2007**
Receivables from personnel	676	591
Deposits and guarantees given	3	2
Short-term other receivables	**679**	**593**

	30 June 2008	**31 December 2007**
Deposits and guarantees given	800	733
Long-term other receivables	**800**	**733**

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

NOTE 8 - OTHER RECEIVABLES AND PAYABLES (Continued)

Other Payables:

	30 June 2008	31 December 2007
T. Garanti Bankası A.Ş. ("Garanti Bankası") Credit card collection account	18.187	20.702
Current portion of other payables	**18.187**	**20.702**

	30 June 2008	31 December 2007
Deposits and guarantees received	3.757	3.602
Long-term other payables	**3.757**	**3.602**

As of 30 June 2008, payable to Garanti Bankası consists of credit card collections on behalf of Garanti Bankası through Tansaş stores with a maturity of less than one month.

NOTE 9 - INVENTORIES

	30 June 2008	31 December 2007
Raw materials	1.704	1.541
Work in progress	2.443	1.197
Merchandise stocks	428.743	396.671
Other	878	1.108
	433.768	**400.517**

Cost of the inventory included in the cost of sales for the six month interim period ended 30 June 2008 amounts to YTL1.739.232 (30 June 2007: YTL1.510.956).

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

NOTE 10 - INVESTMENT PROPERTY

	Opening 1 January 2008	Additions	Transfers	Cumulative translation differences	Closing 30 June 2008
Cost					
Land and buildings	11.001	-	-	575	11.576
Accumulated depreciation					
Land and buildings	(1.856)	(116)	-	8	(1.964)
Net book value	**9.145**				**9.612**

	Opening 1 January 2007	Additions	Transfers (Note 11)	Cumulative translation differences	Closing 30 June 2007
Cost					
Land and buildings	110.266	-	7.169	(5.882)	111.553
Accumulated depreciation					
Land and buildings	(7.303)	(1.133)	-	389	(8.047)
Net book value	**102.963**				**103.506**

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

Investment properties of the Group consist of space rented to other retailers in Samal shopping mall and Tastak store in Kazakhstan. At 30 June 2008, total investment property of the Group is 7.775 square meters (31 December 2007: 7.620 square meters).

Investment properties of the Company at 30 June 2007 are formed of stores and other sales area in shopping malls of Joint - venture Ramenka which are granted for rent to other retailers in accordance with signed lease agreements. The fair value of investment properties as of 31 December 2006 is determined as YTL 230.446 in accordance with the appraisal report of professional independent valuers. As the fair value of land and buildings can not be distinguished reliably, the afore mentioned amount includes the fair value of both the land and buildings on it.

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

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

	Opening 1 January 2008	Additions	Disposals	Impairment loss	Transfers	Cumulative translation differences	Closing 30 June 2008
Cost							
Land and buildings	261.414	629	(26)	-	82	4.449	266.548
Leasehold improvements	517.999	10.899	-	(72)	4.203	189	533.218
Machinery and equipment	452.665	11.328	(3.864)	-	5.744	750	466.623
Furniture and fixtures	160.934	4.612	(1.317)	-	1.193	355	165.777
Motor vehicles	1.344	16	(68)	-	1	23	1.316
Construction in progress	2.409	27.052	(3.687) (*)	-	(11.223)	1	14.552
	1.396.765	**54.536**	**(8.962)**	**(72)**	**-**	**5.767**	**1.448.034**
Accumulated depreciation							
Buildings	(41.247)	(2.162)	-	-	-	(302)	(43.711)
Leasehold improvements	(241.529)	(23.050)	-	9	-	(19)	(264.589)
Machinery and equipment	(300.995)	(16.601)	3.581	-	-	(182)	(314.197)
Furniture and fixtures	(76.034)	(5.146)	1.222	-	-	(318)	(80.276)
Motor vehicles	(843)	(133)	59	-	-	-	(917)
	(660.648)	**(47.092)**	**4.862**	**9**	**-**	**(821)**	**(703.690)**
Net book value	**736.117**						**744.344**

(*) Disposals from construction in progress are mainly comprised of amounts regarding construction works in malls which have been sold before they are capitalised.

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

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	Opening 1 January 2007	Additions	Disposals	Impairment loss	Transfers	Transfers to investment property (Note 10)	Cumulative translation differences	Closing 30 June 2007
Cost								
Land and buildings	547.235	1.217	(14.094)	-	4.073	(7.169)	(15.731)	515.531
Leasehold improvements	460.127	9.465	(141)	(26)	14.032	-	(11)	483.446
Machinery and equipment	458.570	9.938	(6.112)	-	10.537	-	(3.388)	469.545
Furniture and fixtures	178.805	4.191	(4.468)	-	7.381	-	(1.983)	183.926
Motor vehicles	2.035	10	(452)	-	-	-	(22)	1.571
Construction in progress	35.434	67.946	(1.880)	-	(36.023)	-	(1.436)	64.041
	1.682.206	**92.767**	**(27.147)**	**(26)**	**-**	**(7.169)**	**(22.571)**	**1.718.060**
Accumulated depreciation								
Buildings	(61.228)	(5.369)	3.226	-	-	-	1.258	(62.113)
Leasehold improvements	(198.031)	(23.592)	87	26	-	-	4	(221.506)
Machinery and equipment	(298.421)	(17.255)	4.429	-	(21)	-	1.512	(309.756)
Furniture and fixtures	(79.451)	(7.458)	2.233	-	21	-	685	(83.970)
Motor vehicles	(1.152)	(162)	372	-	-	-	5	(937)
	(638.283)	**(53.836)**	**10.347**	**26**	**-**	**-**	**3.464**	**(678.282)**
Net book value	**1.043.923**							**1.039.778**

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

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT (Continued)

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

Leased assets included in property, plant and equipment where the Company is under a finance lease, comprise machinery and equipment with net book values as stated below:

	30 June 2008	31 December 2007
Net book value	**11.374**	**15.725**

Migros sold a piece of land to City Plaza DOO - Skopje ("City Plaza"), the main shareholder of which is EvroAsia Tehnika DOO - Skopje ("EvroAsia"), for an amount of USD30 in accordance with the agreement dated 27 February 2008. Additionally, in 2008 Migros accounted for consulting charges amounting to YTL845 (equivalent of USD700) with regard to consulting and marketing obtained by Ramstore Macedonia from EvroAsia which is the 1% shareholder of Ramstore Macedonia.

NOTE 12 - INTANGIBLE ASSETS

	Opening 1 January 2008	Additions	Disposals	Cumulative translation differences	Closing 30 June 2008
Trademark (*)	174.158	-	-	-	174.158
Rights	17.059	1.371	(94)	110	18.446
Other intangible assets	88	-	-	-	88
Accumulated amortisation	(11.679)	(1.071)	94	(67)	(12.723)
Net book value	**179.626**				**179.969**

	Opening 1 January 2007	Additions	Disposals	Cumulative translation differences	Closing 30 June 2007
Trademark (*)	174.158	-	-	-	174.158
Rights	16.328	1.260	(57)	(123)	17.408
Other intangible assets	88	-	-	-	88
Accumulated amortisation	(9.751)	(1.350)	46	62	(10.993)
Net book value	**180.823**				**180.661**

(*) Migros acquired 64.25% of the shares of Tansaş at 10 November 2005. IFRS 3, "Business Combinations", requires the acquirer at the acquisition date to allocate the cost of a business combination by recognising the acquiree's identifiable assets, liabilities and contingent liabilities at their fair values as at that date. The work was performed by an independent appraisal firm in order to estimate the fair value of the trademark which was considered as an identifiable intangible asset. The appraisal firm applied the relief from royalties method and estimated the fair value of the trademark in the amount of YTL 174.158 in its report dated 6 March 2006. 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.

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

NOTE 13 - GOODWILL/NEGATIVE GOODWILL

	Opening 1 January 2008	Impairment loss	Closing 30 June 2008
Goodwill	237.060	-	237.060
Accumulated amortisation	(2.594)	-	(2.594)
Net book value	**234.466**		**234.466**

	Opening 1 January 2007	Impairment loss	Closing 30 June 2007
Goodwill	238.074	(723)	237.351
Accumulated amortisation	(2.594)	-	(2.594)
Net book value	**235.480**		**234.757**

NOTE 14 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

Short-term provisions:

	30 June 2008	31 December 2007
Provision for current income taxes	22.380	45.846
Less: Prepaid current income taxes	(14.589)	(9.483)
Provision for current income taxes, net (Note 24)	**7.791**	**36.363**
Provision for litigation (Note 14.e)	13.840	6.795
Other provisions	**13.840**	**6.795**
Total short-term provisions	**21.631**	**43.158**

Commitments, contingent assets and liabilities:

a) Guarantees given at 30 June 2008 and 31 December 2007 are as follows:

	30 June 2008	31 December 2007
Letters of guarantee given	**30.677**	**71.860**

Migros signed a guarantee agreement with IFC regarding the loan obtained by Ramstore Kazakhstan amounting to USD 11 million and USD 1,9 million, respectively on 30 July 1999 and 22 November 2001, respectively. In the case of termination of this guarantee agreement by Migros, Samal shopping mall and stores (25.050 square meters) and Astana store(3.194 square meters) and Tastak store (2.020 square meters) of Ramstore Kazakhstan will be pledged by IFC.

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

NOTE 14 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

b) Guarantees received at 30 June 2008 and 31 December 2007 are as follows:

	30 June 2008	31 December 2007
Guarantees obtained from customers	51.204	49.569
Mortgages	1.408	192
Guarantees obtained with respect to joint venture sales	-	148.379
	52.612	**198.140**

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

	30 June 2008	31 December 2007
Payable within 1 year	3.560	2.074
Payable in 1 to 2 years	2.715	2.074
Payable in 2 to 5 years	1.810	6.222
Payable in 5 to 10 years	-	7.161
	8.085	**17.531**

d) Tax legislations in Kazakhstan and Kyrgyzstan are subject to different manners of interpretation and subject to be altered frequently. Accordingly, the interpretation of tax implications regarding the operations of Ramstore Kazakhstan by the tax authorities may differ from the interpretation of the management. Consequently, Ramstore Kazakhstan may encounter significant additional taxes, penalties and interests. Tax authorities in Kazakhstan maintain the right to inspect the accounts for five fiscal years.

e) There are various lawsuits filed against or in favour of Migros. Receivables, rent or labour issues constitute the majority of these lawsuits. Migros management estimates the outcomes of these lawsuits and the financial effects thereof, and the required provisions are accounted for based on these estimates. As of 30 June 2008 an amount of YTL 13.480 has been accounted for provisions (31 December 2007: YTL6.795).

f) As of 30 June 2008, unused vacation pay amounted to YTL 18.298. According to the Company policy, the Company encourages its employees to take their vacation; hence no provision has been accounted for in the consolidated interim financial statements at 30 June 2008. According to management estimate the discounted amount of unused vacation pay liability at 30 June 2008 amounted to YTL 3.135.

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

NOTE 14 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

g) In December 2007 the tax authorities imposed and notified Migros of fines amounting to YTL36.399 resulting from a tax inspection of the 2002, 2003 and 2004 fiscal accounts. The fine related to falsified invoices issued by Özpa Pazarlama A.Ş. in respect to electronic products purchased by Migros. Migros subsequently took legal action for the cancellation of these fines.

On 24 June 2008 Migros paid YTL1.037 as a result of the reconciliation in relation to the YTL4.784 of these fines. As of the date of preparation of the special purpose consolidated interim balance sheet, the legal action for the cancellation of the remaining fines amounting to YTL31.615 are still outstanding. Based on consultations with their tax advisors, Migros management estimate that the Court will find in favour of Migros and consequently no provision has been accounted for with respect to the remaining amount in the special purpose consolidated interim balance sheet at 30 June 2008.

NOTE 15 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS

	30 June 2008	31 December 2007
Provision for employment termination benefits	**15.517**	**14.065**

Provision for employment termination benefits is calculated within the framework of the following explanations:

Under the Turkish Labour Law, the Company and its Turkish Subsidiaries and Joint Ventures are required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men). The amount payable consists of one month's salary limited to a maximum of YTL2.087,92 (31 December 2007: YTL2.030,19) for each year of service at 30 June 2008.

The liability is not funded as there is no funding requirement.

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

The following actuarial assumptions were used in the calculation of the total liability:

	30 June 2008	31 December 2007
Discount rate (%)	5,71%	5,71%
Turnover rate to estimate the probability of retirement (%)	84,80%	86,60%

The principal assumption is that the maximum liability of YTL2.087,92 as of 30 June 2008 (31 December 2007: YTL 2.030,19) for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of YTL 2.173,18 effective from 1 July 2008 (1 January 2008: YTL 2.087,92) has been taken into consideration in calculating the reserve for employment termination benefit of the Group.

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

NOTE 15 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS (Continued)

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

	2008	2007
1 January	**14.065**	**11.757**
Increase during the period	5.312	4.716
Payments during the period	(3.860)	(2.802)
30 June	**15.517**	**13.671**

NOTE 16 - OTHER CURRENT/NON CURRENT ASSETS AND SHORT-/LONG-TERM LIABILITIES

Other current assets:	**30 June 2008**	**31 December 2007**
Prepaid expenses	14.263	13.812
Migros Club discount cheques	9.461	1.577
Property, plant and equipment advances	5.251	1.112
Order advances given	671	227
Deductible taxes and funds	581	162
Value added tax ("VAT") receivable	120	102
Receivables from joint venture sales (Note 2)	-	148.379
Interest receivable from Enka Holding B.V.	-	2.139
Other	279	1.085
	30.626	**168.595**

Prepaid expenses mainly consist of insurance premium and store rentals.

Other non-current assets:	**30 June 2008**	**31 December 2007**
Prepaid expenses	719	3.407
	719	**3.407**

Other current liabilities:	**30 June 2008**	**31 December 2007**
Payables to personnel	18.023	22.774
Expense accruals	16.949	7.332
Taxes and funds payable	13.716	20.561
VAT payable	8.081	12.726
Merchandise coupons	3.639	6.872
Deferred income	903	1.223
Other	1.125	719
	62.436	**72.207**

Expense accruals include accruals for costs such as electricity, water, communication and provision for Migros Club discount cheques. Deferred income mainly includes advances obtained from tenants in stores and malls.

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

NOTE 17 - EQUITY

Paid-in Capital:

The shareholders of the Company and their shareholdings stated at historical amounts at 30 June 2008 and 31 December 2007 are stated below:

	30 June 2008		31 December 2007	
Shareholders	**Share %**	**Amount**	**Share %**	**Amount**
Moonlight Perakendecilik ve Ticaret A.Ş.	50,83	90.497	-	-
Publicly Held	49,17	87.533	49,17	87.533
Koç Holding A.Ş. (Note 1)	-	-	50,83	90.497
Total capital	**100,00**	**178.030**	**100,00**	**178.030**
Adjustment to share capital (*)		(77.165)		(77.165)
Total paid-in capital		**100.865**		**100.865**

(*) Adjustment to share capital represents the restatement effect of cash contributions to share capital at 31 December 2004 equivalent purchasing power.

Restricted Reserves

Sales profit of joint venture and available-for-sale investment amounting to YTL398.409 recognized as part of profit for the year in the consolidated financial statements at 31 December 2007 prepared in accordance with CMB accounting and financial reporting standards; YTL 420.195 is followed under a separate fund account in the Company's legal books in order to benefit from the investment sales income exemption. To benefit from the exemption, the related profit has to be kept under this fund account for 5 years and should not be withdrawn during that period. The said amount has been accounted for under "restricted reserves" account in accordance with the CMB accounting and financial reporting standards and total restricted reserves at 30 June 2008 amount to YTL 462.896 (31 December 2007: YTL 18.487).

The details of restricted reserves mentioned above at 30 June 2008 and 31 December 2007 are as follows:

	30 June 2008	31 December 2007
Joint venture sales gain	406.477	-
Legal reserves	42.701	18.487
Available-for-sale investment sales gain	13.718	-
	462.896	**18.487**

NOTE 17 - EQUITY (Continued)

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group's paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

In accordance with the CMB regulations effective until 1 January 2008, the inflation adjustment differences arising at the initial application of inflation accounting which are recorded under "accumulated losses" could be netted off from the profit to be distributed based on CMB profit distribution regulations. In addition, the aforementioned amount recorded under "accumulated losses" could be netted off with net income for the period, if any, undistributed prior period profits, and inflation adjustment differences of extraordinary reserves, legal reserves and capital, respectively.

In addition, in accordance with the CMB regulations effective until 1 January 2008, "Capital, Emission Premiums, Legal Reserves, Special Reserves and Extraordinary Reserves" were recorded at their statutory carrying amounts and the inflation adjustment differences related to such accounts were recorded under "equity inflation adjustment differences" at the initial application of inflation accounting. "Equity inflation adjustment differences" could be utilised at bonus capital increases and offsetting accumulated losses, carrying amount of extraordinary reserves could be utilised in bonus capital increases, cash dividend distribution and offsetting accumulated losses.

In accordance with the Communiqué Serial: XI, No: 29 which became effective as of 1 January 2008 and according to the CMB's announcements clarifying the said Communiqué, "Share Capital", "Restricted Reserves Allocated from Profit" and "Share Premiums" need to be recognized over the amounts contained in the legal records. The valuation differences (such as inflation adjustment differences) shall be disclosed as follows:

- if the difference is arising from the valuation of "Paid-in Capital" and not yet been transferred to capital should be classified under the "Inflation Adjustment To Share Capital";

- if the difference is arising from valuation of "Restricted Reserves" and "Share Premium" and the amount has not been subject to dividend distribution or capital increase, it shall be classified under "Retained Earnings".

Other equity items shall be carried at the amounts calculated based on CMB Financial Reporting Standards.

Capital adjustment differences have no other use other than being transferred to share capital.

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

NOTE 17 - EQUITY (Continued)

In accordance with the decision of Capital Markets Board on 8 February 2008 number 4/138 the minimum profit distribution ratio shall be applied as 20% (31 December 2007: 20%) in relation to publicly-listed joint stock partnerships as of 1 January 2008. Accordingly, it has been made possible that shares, issued in cash or through the addition of dividend to the capital upon the decision of the Company's general assembly, can be distributed to the partners free of charge or that the distribution can be partly made in cash and partly through the free distribution of shares. It has been further enabled that initial dividend amount be left to the partnership without distribution, if such amount is lower than the 5% of the existing paid-up/issued capital amount. Nevertheless, with regard to the joint stock partnerships, which have increased its capital without performing a dividend distribution as to the previous period and which separates its shares as "new" and "old", it has been made obligatory for those partnerships, which will distribute dividend out of its 2007 profits, to distribute the initial dividend amount in cash.

Additionally, pursuant to CMB decision with no 7/242 and dated 25 February 2005, the whole amount of the profit distribution amount, which is calculated over the net distributable profit, determined according to the CMB regulations, in accordance with the CMB regulations regarding minimum profit distribution liability, shall be distributed, if all of this amount can be covered by the distributable profit included in the legal records; on the other hand, if the whole of this amount cannot be met, the whole of the net distributable profit included in the legal records shall be distributed. In case period losses exist in the financial statements, prepared according to the CMB regulations, and in any one of the legal records, profit distribution shall not be performed.

The restated amounts of the capital and legal reserves stated as their historical amounts as of 30 June 2008 and 31 December 2007 and the inflation adjustment differences are as follows:

	30 June 2008			31 December 2007		
	Historical amounts	**Restated amounts**	**Equity inflation restatement differences**	**Historical amounts**	**Restated amounts**	**Equity inflation restatement differences**
Share capital	178.030	100.865	(77.165)	178.030	100.865	(77.165)
Share premium	18.854	152.855	134.001	18.854	152.855	134.001
Legal reserves	42.701	67.955	25.254	18.487	43.741	25.254
Extraordinary reserves	71.932	165.600	93.668	71.932	165.600	93.668
	311.517	**487.275**	**175.758**	**287.303**	**463.061**	**175.758**

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

NOTE 17 - EQUITY (Continued)

The composition of the Company's shareholders' equity as of 30 June 2008 and 31 December 2007 is as follows:

	30 June 2008	31 December 2007
Paid-in capital	178.030	178.030
Equity inflation restatement differences	(77.165)	(77.165)
Share premium	18.854	18.854
Financial assets fair value reserve	(19.685)	24.543
Cumulative translation differences	47	(6.457)
Restricted reserves	462.896	18.487
Additional contribution to shareholders' equity related to merger	119.422	119.422
Prior years' income	643.450	640.479
Net income for the period	126.981	552.875
Minority interest	319	265
	1.453.149	**1.469.333**

NOTE 18 - REVENUE AND COST OF SALES

	1 January - 30 June 2008	1 April - 30 June 2008	1 January - 30 June 2007	1 April - 30 June 2007
Domestic sales	2.297.214	1.180.609	1.971.029	1.031.082
Foreign sales	98.995	49.399	84.184	41.593
	2.396.209	1.230.008	2.055.213	1.072.675
Other sales	2.045	824	2.291	871
	2.398.254	1.230.832	2.057.504	1.073.546
Less: Discounts and returns	(33.969)	(18.904)	(29.286)	(12.101)
Sales revenue - net	**2.364.285**	**1.211.928**	**2.028.218**	**1.061.445**
Cost of sales	(1.759.157)	(884.801)	(1.529.636)	(797.700)
Gross margin	**605.128**	**327.127**	**498.582**	**263.745**

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

NOTE 18 - REVENUE AND COST OF SALES (Continued)

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

	1 January - 30 June 2008	1 April - 30 June 2008	1 January - 30 June 2007	1 April - 30 June 2007
Retail sales revenue	2.329.604	1.195.456	1.986.813	1.036.297
Rent income	38.191	19.440	36.734	18.088
Wholesale revenue	28.414	15.112	31.666	18.290
	2.396.209	**1.230.008**	**2.055.213**	**1.072.675**

NOTE 19 - OPERATING EXPENSES

	1 January - 30 June 2008			1 January - 30 June 2007		
	General Administrative Expenses	Selling and Marketing Expenses	Total	General Administrative Expenses	Selling and Marketing Expenses	Total
Staff	38.002	139.126	177.128	35.372	116.406	151.778
Rent	27	79.716	79.743	28	68.488	68.516
Transportation, porterage and cleaning	-	49.379	49.379	-	41.077	41.077
Depreciation and amortisation	48.279	-	48.279	46.921	-	46.921
Energy	526	30.706	31.232	881	21.967	22.848
Advertising	-	19.741	19.741	-	17.205	17.205
Repair, maintenance and security	547	19.116	19.663	1.351	14.438	15.789
Warehouse expenses	-	8.154	8.154	-	6.807	6.807
Taxes and other fees	2.428	4.807	7.235	2.042	2.884	4.926
Communication	589	4.922	5.511	1.322	2.554	3.876
Mechanisation	670	3.389	4.059	442	3.207	3.649
Travelling	2.896	961	3.857	2.882	644	3.526
Insurance premiums	83	2.539	2.622	74	2.288	2.362
Employment termination benefits, net	298	1.155	1.453	419	1.495	1.914
Advisory	1.227	-	1.227	155	-	155
Stationary	149	907	1.056	494	1.132	1.626
Parent company service charges	834	-	834	986	-	986
Donations	288	-	288	814	-	814
Other	5.340	10.272	15.612	5.773	6.080	11.853
	102.183	**374.890**	**477.073**	**99.956**	**306.672**	**406.628**

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

NOTE 19 - OPERATING EXPENSES (Continued)

	1 April - 30 June 2008			1 April - 30 June 2007		
	General Administrative Expenses	**Selling and Marketing Expenses**	**Total**	**General Administrative Expenses**	**Selling and Marketing Expenses**	**Total**
Staff	19.142	73.233	92.375	22.152	59.798	81.950
Rent	11	41.248	41.259	17	35.340	35.357
Transportation, porterage and cleaning	-	26.895	26.895	-	22.704	22.704
Depreciation and amortisation	24.487	-	24.487	23.366	-	23.366
Energy	271	15.163	15.434	735	10.783	11.518
Advertising	-	11.850	11.850	-	8.414	8.414
Repair, maintenance and security	286	10.608	10.894	369	9.127	9.496
Warehouse expenses	-	4.229	4.229	-	3.527	3.527
Taxes and other fees	1.716	2.007	3.723	621	1.643	2.264
Communication	62	2.947	3.009	716	1.274	1.990
Mechanisation	347	1.975	2.322	214	1.657	1.871
Travelling	1.524	641	2.165	1.580	343	1.923
Insurance premiums	27	1.267	1.294	36	1.152	1.188
Advisory	1.027	-	1.027	98	-	98
Parent company service charges	834	-	834	493	-	493
Stationary	96	428	524	345	413	758
Employment termination benefits, net	46	221	267	(4)	(444)	(448)
Donations	31	-	31	504	-	504
Other	3.148	6.359	9.507	2.959	1.305	4.264
	53.055	**199.071**	**252.126**	**54.201**	**157.036**	**211.237**

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

NOTE 20 - OTHER OPERATING INCOME AND EXPENSE

Other operating income:

	1 January - 30 June 2008	1 April - 30 June 2008	1 January - 30 June 2007	1 April - 30 June 2007
Gain on sales of subsidiaries	21.245	21.245	-	-
Early payment discount	2.753	1.047	2.115	1.746
Gain on sales of scrap goods	1.267	608	2.289	1.246
Gain on sales of plant, property and equipment	331	302	4.159	4.135
Provision reversals	190	87	43	35
Other	2.673	1.116	1.139	410
	28.459	**24.405**	**9.745**	**7.572**

Other operating expenses:

	1 January - 30 June 2008	1 April - 30 June 2008	1 January - 30 June 2007	1 April - 30 June 2007
Litigation provisions expense	(7.045)	(7.045)	-	-
Losses from sales of tangible assets	(3.886)	(3.886)	(39)	(39)
Bad debt provision expense (Note 7)	(760)	3	(772)	(443)
Credit card commission expense	(82)	(50)	(64)	(30)
Other	(440)	316	(273)	(108)
	(12.213)	**(10.662)**	**(1.148)**	**(620)**

NOTE 21 - FINANCIAL INCOME

	1 January - 30 June 2008	1 April - 30 June 2008	1 January - 30 June 2007	1 April - 30 June 2007
Interest income on marketable securities	43.883	22.503	8.867	4.108
Due date charges on term sales	17.947	11.252	5.405	4.557
Interest income on demand deposits	6.244	3.412	9.639	4.612
Foreign exchange gains	4.367	(1.566)	16.644	12.915
	72.441	**35.601**	**40.555**	**26.192**

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

NOTE 22 - FINANCIAL EXPENSES

	1 January - 30 June 2008	1 April - 30 June 2008	1 January - 30 June 2007	1 April - 30 June 2007
Due date difference on term purchases	(60.546)	(38.000)	(20.127)	(13.308)
Interest expense on bank borrowings	(5.383)	(1.967)	(15.999)	(7.573)
Other	(1.782)	(1.394)	(572)	(176)
	(67.711)	**(41.361)**	**(36.698)**	**(21.057)**

NOTE 23 - DISCONTINUED OPERATIONS

a) The Group signed a share transfer agreement on 11 September 2007 with Enka Holding Investment S.A. regarding the sale of all its shares in Ramenka, a joint-venture where the Group held 50% controlling interest, in return for USD 542,5 million. After the permit was obtained from the Competition Board of Federation of Russia and the other preliminary conditions were fulfilled, the transfer of shares was completed on 9 November 2007. The profit amounting YTL379.991 generated from this transaction has been accounted in the other operating income and gains.

Summary of Ramenka's income statement fort he period 1 January - 30 June 2007 is as follows:

	1 January - 30 June 2007	1 April - 30 June 2007
Revenue	240.699	115.158
Expenses	(240.866)	(116.679)
Income from discontinued operations before income tax	(167)	(1.521)
Income Tax	(1.441)	(758)
Net income from discontinued operations after income tax	**(1.608)**	**(2.279)**

b) As of June 2007, the Group closed down its three stores operating in Bulgaria and stopped its retailing operations. The Group sold the land of its Sophia store and the whole building including the equipment and installations, which are seen among its assets, in return for Euro 8.500 (YTL 11.625), VAT excluded. The generated profit amounting Euro 2.400 (YTL 4.157) from the sale was accounted in the consolidated financial statements for the accounting period 1 January - 30 June 2007 under other operating income and gains.

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

NOTE 24 - TAXES ON INCOME

	30 June 2008	31 December 2007
Taxes and funds payable	22.380	45.846
Less: Prepaid current income taxes	(14.589)	(9.483)
Tax provision, net (Note 14)	**7.791**	**36.363**

	30 June 2008	31 December 2007
Deferred income tax assets	10.654	7.501
Deferred income tax liabilities	(28.103)	(27.516)
Deferred income tax liabilities, net	**(17.449)**	**(20.015)**

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 interim financial statements, have been calculated on a separate-entity basis.

Turkey

Corporation tax rate for the year 2008 is 20% (2007: 20%). Corporation tax is applied to the total income of the companies after adjusting for certain disallowable expenses, exempt income, investment and other allowances. No further tax is payable unless the profit is distributed (except withholding tax at the rate of 19,8% on the investment incentive allowance utilised within the scope of the Income Tax Law transitional article 61).

Except for the dividends paid to non-resident corporations, which have a representative office in Turkey, or resident corporations, dividends are not subject to withholding tax. Dividends paid to other organizations or individuals are subject to withholding tax at the rate of 15% .Transfer of profit to capital is not accepted as a dividend distribution.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% on their corporate income (2007: 20%). Advance tax is declared by the 14th and paid by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. Despite the credit from annual corporation tax liability, if the company still has excess advance corporate tax, it can receive this balance in cash from the Government or as a credit for another financial debt to the Government.

There are numerous exemptions in the Corporation Tax Law concerning the corporations. Those related to the Company are as follows:

Domestic participation exemption:

Dividend income earned from investments in another company's shares is excepted in the calculation of the corporate tax (dividend income gained related to the participation in investment funds and investment trust shares is excluded).

NOTE 24 - TAXES ON INCOME (Continued)

Preferential right certificate sales and issued premiums exemption:

New share issue premiums, which represent the difference between the nominal and sale values of shares issued by joint-stock companies, are exempt from corporation tax.

Foreign company participation exemption:

The participation income of corporations participating for at least one continuous year of 10% that does not have their legal or business centre in Turkey (except for corporations whose principal activity is financial leasing or investment of marketable securities) up until the date the income is generated and transferred to Turkey and until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax subject to those subsidiaries being subject to corporate income tax, or alike in their country of legal or business centre at the rate of at least 15% (the corporate income tax rate applicable in Turkey for those companies whose principal activity is financial assurance or insurance).

Real estate, investment equity, preferential rights, usufruct shares, founding shares, sales exemption:

A 75% portion of corporations' profits from the sale of participation shares, founding shares, pre-emptive rights and property, which have been in their assets for at least for two years is exempt from corporate tax provided that these profits are added to share capital and are not withdrawn within five years. Income from the sale is generated until the end of the second calendar year following the year in which sale was realized.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 25th of the fourth month following the close of the related financial year. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Implied corporation tax rates in Kazakhstan, Bulgaria, Macedonia, Azerbaijan ve Kyrgyzstan are 30%, 10%, 12%, 22% and 10%, respectively (31 December 2007: 30%, 10%, 12%, 22% and 10%, respectively).

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

NOTE 24 - TAXES ON INCOME (Continued)

The details of taxation on income for the six-month periods ended 30 June 2008 and 2007 are as follows:

	1 January - 30 June 2008	1 April - 30 June 2008	1 January - 30 June 2007	1 April - 30 June 2007
Current period tax expense (-)	(24.263)	(11.438)	(2.400)	(1.227)
Deferred tax income /(expense)	2.235	448	(20.371)	(13.727)
Income tax expense	**(22.028)**	**(10.990)**	**(22.771)**	**(14.954)**

Deferred Tax

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between their financial statements as reported for CMB Communiqué purposes and its statutory tax financial statements. Temporary differences generally arise due to the recording of incomes and expenses in different reporting periods according to Tax Laws and CMB Accounting Standards. Deferred income taxes will be calculated on temporary differences that are expected to be realized or settled based on the taxable income in the coming years under the liability method using a principal tax rate of 20%, 30%,10%,22% and 12% for Turkey, Kazakhstan, Bulgaria, Azerbaijan and Macedonia, 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 30 June 2008 and 31 December 2007 using the currently enacted tax rates, is as follows:

	Cumulative temporary differences		Deferred tax assets/ (liabilities)	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
Inventories	17.786	7.071	3.563	1.419
Provision for employment termination benefits	15.517	14.065	3.103	2.813
Expense provisions and other provisions	13.840	6.795	2.768	1.359
Finance cost deferred for tax purposes	3.711	7.422	742	1.484
Unincurred interest income	2.364	500	473	100
Property, plant and equipment and intangible assets	(124.973)	(118.836)	(25.034)	(24.091)
Provision for unincurred interest expense	(15.343)	(13.571)	(3.069)	(2.714)
Adjustment to fair value of financial assets	-	(18.702)	-	(449)
Deferred advance payment expense	-	(1.311)	-	(262)
Other	26	1.314	5	326
Deferred tax assets			10.654	7.501
Deferred tax liabilities			(28.103)	(27.516)
Deferred tax liabilities, net			**(17.449)**	**(20.015)**

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

NOTE 24 - TAXES ON INCOME (Continued)

Movement of deferred tax assets and liabilities are as follows:

	Deferred tax (liability)/asset	
	2008	**2007**
1 January	**(20.015)**	**(7.444)**
Current period deferred tax expense from discontinued operations	2.235	(20.371)
Current period deferred tax income from discontinued operations	-	417
Cumulative translation difference	(118)	1.154
Charged to equity	449	(32)
30 June	**(17.449)**	**(26.276)**

NOTE 25 - EARNINGS PER SHARE

Earnings per share disclosed in the consolidated interim statements of income are determined by dividing the net income by the weighted average number of shares that have been outstanding during the period.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, such bonus shares are regarded as issued shares. Accordingly, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and for each earlier year.

Basic earnings per share are determined by dividing net income attributable to shareholders by the weighted average number of issued ordinary shares as below:

	1 January - 30 June 2008	**1 April - 30 June 2008**	**1 January - 30 June 2007**	**1 April - 30 June 2007**
Net income attributable to the shareholders	127.003	71.994	79.379	46.708
Weighted average number of shares withYKr 1 face value each ('000)	17.803.000	17.803.000	17.803.000	17.803.000
Earnings per share (YKr)	**0,71**	**0,40**	**0,45**	**0,26**

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

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NOTE 26 - DUE FROM AND DUE TO RELATED PARTIES

(i) Balances with related parties

Due from related parties:	**30 June 2008**	**31 December 2007**
Sanal Merkez T.A.Ş.	2.849	3.669
Koç Holding A.Ş. (*)	-	31.899
Ford Otosan San. A.Ş.	-	2.492
Palmira Turizm Tic. A.Ş.	-	932
Tanı Pazarlama ve İletişim Hizmetleri A.Ş.	-	710
Other	9	1.591
	2.858	**41.293**

(*) As of 31 December 2007, receivables from Koç Holding A.Ş. are mainly composed of receivables due to the sales of KFS which is shown as available for sale investments (Note 5).

Due to related parties:

Due to shareholders:	**30 June 2008**	**31 December 2007**
Dividend liabilities to other shareholders	87	42
Due to group companies:		
Unmaş Unlu Mamüller San.ve Tic.A.Ş.	3.886	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	-	20.924
Düzey Tüketim Mal. San. Paz. ve Tic. A.Ş.	-	15.141
Tat Konserve Sanayi A.Ş.	-	8.825
Ram Sigorta Aracılık Hizmetleri A.Ş.	-	4.918
Palmira Turizm Tic. A.Ş.	-	1.305
Other	-	3.508
	3.886	**54.621**
Total due to related parties	**3.973**	**54.663**

Bank balances:

	30 June 2008	**31 December 2007**
Yapı ve Kredi Bankası A.Ş. ("Yapı ve Kredi")		
- demand deposits	-	7.927
- time deposits	-	74.432
- other liquid assets (credit card receivables)	-	75.348
Yapı ve Kredi Bankası Azerbaijan		
- demand deposits	-	2.376
	-	**160.083**

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

NOTE 26 - DUE FROM AND DUE TO RELATED PARTIES (Continued)

(ii) Transactions with related parties:

Sales of goods:	1 January - 30 June 2008	1 April - 30 June 2008	1 January - 30 June 2007	1 April - 30 June 2007
Tat Konserve Sanayi A.Ş.	7.604	3.354	7.455	3.633
Sanal Merkez T.A.Ş.	7.216	1.631	8.919	4.513
Palmira Turizm Tic. A.Ş.	4.547	2.455	4.535	2.342
Other	2.413	811	2.153	1.048
	21.780	**8.251**	**23.062**	**11.536**

Purchases of property, plant and equipment:	1 January - 30 June 2008	1 April - 30 June 2008	1 January - 30 June 2007	1 April - 30 June 2007
Ark İnşaat San. Ve Tic. A.Ş.	3.410	1.168	18.100	10.786
Koç Sistem Bilgi ve İletişim Hizm. A.Ş.	1.107	434	2.293	476
Other	610	496	337	202
	5.127	**2.098**	**20.730**	**11.464**

Inventory purchases:	1 January - 30 June 2008	1 April - 30 June 2008	1 January - 30 June 2007	1 April - 30 June 2007
Tat Konserve Sanayi A.Ş.	46.177	20.436	46.332	26.115
Düzey Tüketim Mal. San. Paz.ve Tic. A.Ş.	34.001	13.424	38.557	19.510
Palmira Turizm Tic. A.Ş.	4.597	1.749	5.411	2.536
Türk Demir Döküm Fabrikaları A.Ş.	1.990	1.990	4.816	4.816
Unmaş Unlu Mamüller T.A.Ş.	1.222	1.222	-	-
Ram Kofisa Pasific.Ltd.	-	-	3.321	3.321
Other	1.547	1.147	4.216	400
	89.534	**39.968**	**102.653**	**56.698**

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

NOTE 26 - DUE FROM AND DUE TO RELATED PARTIES (Continued)

Services rendered:	1 January - 30 June 2008	1 April - 30 June 2008	1 January - 30 June 2007	1 April - 30 June 2007
Zer Merkezi Hizmetleri ve Ticaret A.Ş. (*)	83.236	40.221	79.314	49.538
Koçnet Haberleşme Tekn. Ve İlet. Hizm. A.Ş.	3.582	1.368	2.062	949
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	1.303	714	1.027	622
Tanı Pazarlama ve İletişim Hizmetleri	910	465	542	310
Koç Holding A.Ş.	845	843	986	493
Entek Elektrik Üretimi A.Ş.	-	-	13.367	7.112
Eltek Elektrik Enerjisi İth. İhr. ve Tic. A.Ş.	-	-	6.595	3.782
Other	3.901	1.913	4.339	2.399
	93.777	**45.524**	**108.232**	**65.205**

(*) Services provided from "Zer Merkezi Hizmetler ve Ticaret A.Ş." mainly contain transportation, porterage, advertisement, security and operation of warehouses.

Interest income:	1 January - 30 June 2008	1 April - 30 June 2008	1 January - 30 June 2007	1 April - 30 June 2007
Yapı ve Kredi Bankası A.Ş.	7.930	5.894	4.014	1.702
Yapı Kredi Azerbaycan	28	20	10	10
Other	-	-	352	171
	7.958	**5.914**	**4.376**	**1.883**

Interest expense:	1 January - 30 June 2008	1 April - 30 June 2008	1 January - 30 June 2007	1 April - 30 June 2007
Yapı Kredi Azerbaycan	12	6	9	5
Yapı ve Kredi Bankası	-	-	2.236	29
Yapı Kredi Nederland N.V.	-	-	371	161
	12	**6**	**2.616**	**195**

Dividends paid:	1 January - 30 June 2008	1 April - 30 June 2008	1 January - 30 June 2007	1 April - 30 June 2007
Koç Holding A.Ş.	**53.626**	**53.626**	**20.332**	**20.332**

Dividends calculated on 2007 net income are paid in May 2008.

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

NOTE 26 - DUE FROM AND DUE TO RELATED PARTIES (Continued)

Other transactions with related parties are as follows:

	1 January - 30 June 2008	**1 April - 30 June 2008**	**1 January - 30 June 2007**	**1 April - 30 June 2007**
Rent income	609	205	653	364
Rent expense	2.007	1.031	1.521	1.020
Management fee received	175	73	203	101
Donations	-	-	141	-
Salaries and other benefits provided to the Board of Directors and key management personnel of Migros	2.818	1.775	4,251	3,086

NOTE 27 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial risk management

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the individual Subsidiaries under policies approved by their Boards of Directors.

Interest rate risk

The Group management invests its interest bearing assets on short term investments within the principle of managing through natural precautions that come into being by balancing the maturity of the assets and liabilities that are sensitive to the interest.

Liquidity and Funding risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The funding risk of the current and future debt requirements is managed through rendering the availability of the qualified lenders. As of 30 June 2008, the Group's financial debt with a maturity longer than 1 year is YTL48.273 (31 December 2007: 142.663) (Note 6).

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

NOTE 27 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Credit risk

The Group is exposed to credit risk due to its sales other than retail sales. Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. These risks are monitored by credit ratings and by limiting the aggregate risk from any individual counterparty. The credit risk is generally highly diversified due to the large number of entities comprising the customer bases.

Foreign currency risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to borrowings denominated in foreign currencies. Aforementioned foreign exchange risk is followed and limited through foreign currency position.

At 30 June 2008, if US dollar had appreciated against YTL by 10% 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 US dollar would have been higher in the amount of YTL1.714.

At 30 June 2008, if Euro had appreciated against YTL by 10% 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 higher in the amount of YTL569.

	30 June 2008	**31 December 2007**
Assets	163.989	321.421
Liabilities	(137.715)	(288.743)
Net balance sheet position	**26.274**	**32.678**

YTL equivalent of foreign currency denominated amounts

	30 June 2008				
	US dollar	**Euro**	**Kazakhstan Tenge**	**Other currencies**	**Total YTL**
Cash and cash equivalents	128.622	8.028	9.658	9.291	155.599
Trade receivables	194	-	1.394	1.627	3.215
Marketable securities	-	-	912	-	912
Other receivables and current assets	3.025	-	830	401	4.256
Other non-current assets	-	-	7	-	7
Total assets in foreign currency	**131.841**	**8.028**	**12.801**	**11.319**	**163.989**

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

NOTE 27 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

	30 June 2008				
	US dollar	**Euro**	**Kazakhstan Tenge**	**Other currencies**	**Total YTL**
Short-term borrowings	64.972	260	-	-	65.232
Long-term borrowings	46.363	1.910	-	-	48.273
Trade payables	60	167	12.471	4.568	17.266
Other liabilities	3.310	4	1.720	1.910	6.944
Total liabilities in foreign currency	**114.705**	**2.341**	**14.191**	**6.478**	**137.715**

	31 December 2007				
	US dollar	**Euro**	**Kazakhstan Tenge**	**Other currencies**	**Total YTL**
Cash and cash equivalents	79.991	6.151	12.806	4.610	103.558
Trade receivables	426	-	2.193	1.318	3.937
Marketable securities	53.770	853	-	-	54.623
Other receivables and current assets	153.558	-	529	194	154.281
Other assets	-	-	5.022	-	5.022
Total assets in foreign currency	**287.745**	**7.004**	**20.550**	**6.122**	**321.421**

	31 December 2007				
	US dollar	**Euro**	**Kazakhstan Tenge**	**Other currencies**	**Total YTL**
Short-term borrowings	84.534	33.294	-	-	117.828
Long-term borrowings	76.584	66.079	-	-	142.663
Trade payables	3.582	-	12.889	5.404	21.875
Other liabilities	3.551	3	1.530	1.293	6.377
Total liabilities in foreign currency	**168.251**	**99.376**	**14.419**	**6.697**	**288.743**

	1 January-30 June 2008	**1 April-30 June 2008**	**1 January-30 June 2007**	**1 April-30 June 2007**
Total imports	7.960	4.833	2.974	1.938

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

NOTE 27 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Total hedging ratio of foreign currency position:

	30 June 2008	31 December 2007
US dolar	115%	171%
Euro	343%	7%
Kazakhstan Tenge	90%	143%
Other currencies	175%	91%

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and maintain an optimal structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group carries out financial risk analysis by following its capital risk management on a monthly basis on the basis of gearing ratio, short term balance sheet liquidity and net financial debt level.

The ratio of net debt/ (equity capital+net debt) at 30 June 2008 and 31 December 2007 is as follows:

	30 June 2008	31 December 2007
Total liabilities	1.171.326	1.360.392
Cash and cash equivalents	(500.446)	(396.952)
Marketable securities	(459.091)	(628.767)
Deferred tax liability	(17.449)	(20.015)
Net debt	194.340	314.658
Shareholders' equity	1.453.149	1.469.333
Shareholders' equity +net debt	1.647.489	1.783.991
Net debt/(Shareholders' equity +net debt)ratio	12%	18%

NOTE 28 - FINANCIAL INSTRUMENTS

Fair value of financial instruments

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.

The estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realise in a current market exchange.

NOTE 28 - FINANCIAL INSTRUMENTS (Continued)

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

Financial assets

The fair values of balances denominated in foreign currencies, which are translated at period-end exchange rates, are considered to approximate carrying values.

The fair values of certain financial assets carried at amortised cost are considered to approximate their respective carrying values due to their short-term nature and negligible credit losses.

The carrying values of trade receivables at amortised cost along with the related allowances for uncollectibility are estimated to approximate their fair values.

Available-for-sale investments are stated at their fair values.

Financial liabilities

The fair values of short term bank borrowings and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature.

The fair value of the long term borrowings are the values discounted over market interest ratios and are detailed out in the Note 6.

The carrying values of trading and other liabilities at amortised cost are estimated to be their fair values.

NOTE 29 - SUBSEQUENT EVENTS

The Company has signed an agreement with Hamoğlu Group at 1 August 2008 regarding the purchase of afore mentioned group's local retail chain's, "Maxi Marketler", 3 stores with a total sales area of 13.000 square meters located in Silivri, Tekirdağ and Çengelköy together with all property, plant and equipments. In accordance with this agreement, the rent agreements of these 3 stores will be re arranged on behalf of the Company.

In the context of the acquisition of 50,83259% of the shares of Migros by Moonlight from Koç Holding, in order to comply with CMB regulations that require the buyer to call back the shares owned by minority interests, the call option price of each share with a nominal value of YTL 1 has been determined as YTL 21,95 by the CMB.

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