

MİGROS TİCARET ANONİM ŞİRKETİ

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

(ORIGINALLY ISSUED IN TURKISH)

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

MİGROS TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED FINANCIAL POSITION AT 30 SEPTEMBER 2012

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

(Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Notes	Not Reviewed 30 September 2012	Audited 31 December 2011
ASSETS			
Current Assets			
Cash and cash equivalents		1.114.297	1.010.255
Trade receivables		71.521	67.174
- Other trade receivables		71.431	67.164
- Due from related parties	20	90	10
Other receivables		2.439	1.037
Inventories	8	755.856	679.000
Other current assets		59.154	40.104
Total current assets		2.003.267	1.797.570
Non-current assets			
Other receivables		1.283	1.165
Financial investments		1.695	1.695
Derivative financial instruments	4	100	43
Investment property	5	46.092	51.365
Property, plant and equipment	6	1.141.069	1.118.881
Intangible assets	7	247.240	250.270
Goodwill	9	2.251.427	2.251.427
Other non-current assets		6.565	8.548
Total non-current assets		3.695.471	3.683.394
Total assets		5.698.738	5.480.964

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

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CONDENSED CONSOLIDATED FINANCIAL POSITION AT 30 SEPTEMBER 2012

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

(Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Notes	Not Reviewed 30 September 2012	Audited 31 December 2011
LIABILITIES			
Current liabilities			
Financial liabilities	10	42.670	13.796
Derivative financial instruments	4	24.775	22.591
Trade payables		1.580.444	1.387.042
- Due to related parties	20	2.679	1.365
- Other payables		1.577.765	1.385.677
Other payables		2.473	684
Taxes on income	18	10.336	2.521
Provisions	11	61.879	53.505
Other current liabilities		103.584	98.555
Total current liabilities		1.826.161	1.578.694
Non-current liabilities			
Financial liabilities	10	2.431.260	2.573.754
Derivative financial instruments	4	18.148	13.345
Other liabilities		2.941	3.602
Provision for employee termination benefits	12	11.607	10.516
Deferred income tax liabilities	18	103.914	105.346
Total non-current liabilities		2.567.870	2.706.563
Total liabilities		4.394.031	4.285.257
EQUITY			
Attributable to equity holders of the parent		1.304.186	1.195.231
Share capital	19	178.030	178.030
Share premium		678.233	678.233
Other capital reserves		(365)	(365)
Restricted reserves		385.856	385.856
Cumulative translation differences		10.785	18.869
Additional contribution to shareholders' equity related to merger		27.312	27.312
Retained earnings		(92.704)	70.541
Net income / (loss) for the period		117.039	(163.245)
Non-controlling interest		521	476
Total equity		1.304.707	1.195.707
Total liabilities and equity		5.698.738	5.480.964

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

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

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

(Currencies other than TL are expressed in thousands unless otherwise indicated.)

	Notes	Not Reviewed 1 January - 30 September 2012	Not Reviewed 1 July - 30 September 2012	Not Reviewed 1 January - 30 September 2011	Not Reviewed 1 July - 30 September 2011
CONTINUING OPERATIONS					
Revenue (net)	3,13	4.832.651	1.825.431	4.253.203	1.613.335
Cost of sales (-)	3,13	(3.565.581)	(1.357.380)	(3.153.125)	(1.207.007)
GROSS PROFIT	3,13	1.267.070	468.051	1.100.078	406.328
Marketing, selling and distribution expenses (-)	14	(892.854)	(324.494)	(758.078)	(274.155)
General administrative expenses (-)	14	(168.128)	(56.171)	(154.735)	(53.167)
Other operating income	15	6.186	1.188	6.630	859
Other operating expense (-)	15	(25.228)	(5.034)	(18.908)	(2.110)
OPERATING PROFIT	3	187.046	83.540	174.987	77.755
Financial income	16	197.229	(23.081)	174.240	48.659
Financial expense (-)	17	(244.962)	(65.938)	(743.003)	(264.938)
INCOME / (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	3	139.313	(5.479)	(393.776)	(138.524)
Income tax expense	18	(22.217)	(11.902)	(40.038)	(12.988)
- Income tax expense	18	(23.700)	(13.009)	(34.829)	(13.856)
- Deferred tax income / (expense)	18	1.483	1.107	(5.209)	868
NET INCOME / (LOSS) FROM CONTINUING OPERATIONS		117.096	(17.381)	(433.814)	(151.512)
DISCONTINUED OPERATIONS					
Income after tax from discontinued operations	26	-	-	198.056	242.737
NET INCOME / (LOSS)		117.096	(17.381)	(235.758)	91.225
Net income / (loss) attributable to:					
Equity holders of the parent		117.039	(17.399)	(235.708)	91.308
Non-controlling interest		57	18	(50)	(83)
		117.096	(17.381)	(235.758)	91.225
Earning / (loss) per share (Kr)	21	0,66	(0,10)	(1,32)	0,51

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

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MİGROS TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

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

(Currencies other than TL are expressed in thousands unless otherwise indicated.)

Notes	Not Reviewed 1 January - 30 September 2012	Not Reviewed 1 July - 30 September 2012	Not Reviewed 1 January - 30 September 2011	Not Reviewed 1 July - 30 September 2011
Net income / (loss) for the period	117.096	(17.381)	(235.758)	91.225
Other comprehensive (loss) / income :				
Currency translation differences	(8.096)	(472)	22.501	13.782
Cumulative translation differences reclassified due to foreign operations disposals	-	-	(5.989)	-
Other comprehensive (loss) / income for the period	(8.096)	(472)	16.512	13.782
Total comprehensive income / (loss) for the period	109.000	(17.853)	(219.246)	105.007
Total comprehensive income / (loss) attributable to:				
Equity holders of the parent	108.955	(17.865)	(219.203)	105.145
Non-controlling interest	45	12	(43)	(138)
	109.000	(17.853)	(219.246)	105.007

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

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

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	Notes	Share capital	Share premium	Other capital reserves	Restricted reserves	Cumulative translation differences	Additional contribution to equity related to merger	Retained earnings	Net (loss) / income	Non- controlling interest	Total equity
Balances at 1 January 2011		178.030	678.233	(365)	385.856	7.040	27.312	27.960	42.581	506	1.347.153
Transfers		-	-	-	-	-	-	42.581	(42.581)	-	-
Total comprehensive loss		-	-	-	-	16.505	-	-	(235.708)	(43)	(219.246)
Balances at 30 September 2011		178.030	678.233	(365)	385.856	23.545	27.312	70.541	(235.708)	463	1.127.907
Balances at 1 January 2012		178.030	678.233	(365)	385.856	18.869	27.312	70.541	(163.245)	476	1.195.707
Transfers		-	-	-	-	-	-	(163.245)	163.245	-	-
Total comprehensive income		-	-	-	-	(8.084)	-	-	117.039	45	109.000
Balances at 30 September 2012		178.030	678.233	(365)	385.856	10.785	27.312	(92.704)	117.039	521	1.304.707

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CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

MİGROS TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

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

	Notes	Not Reviewed 1 January - 30 September 2012	Not Reviewed 1 January - 30 September 2011
Operating activities:			
Net income / (loss) for the period from continuing operations		117.039	(433.764)
Net income for the period from discontinued operations	26	-	198.056
Adjustments to reconcile net income to net cash provided / used by operating activities:			
Net income / (loss) attributable to non-controlling interest		57	(50)
Depreciation and amortisation	5,6,7	95.672	91.864
Provision for employment termination benefits	12	11.316	11.339
Provision for unused vacation	11	10.282	12.294
Provision for litigation	11	7.324	3.789
Doubtful receivable provision	15	1.453	1.048
Income tax expense	18,26	22.217	109.295
Tax provision concerning prior periods		-	1.930
Interest income	16	(48.599)	(35.619)
Interest expense	17	181.417	171.002
Gain / (loss) on sale of property, plant and equipment - net	15	(1.362)	(428)
Impairment of property, plant and equipment	6	3.696	5.599
Gain from sale of subsidiary	26	-	(347.434)
Fair value gain / (loss) of derivative instruments	16,17	27.712	(23.352)
Unrecognised foreign exchange differences (gain) / loss - net		(142.511)	534.432
Cash flows from operating activities before changes in operating assets and liabilities		285.713	300.001
Changes in operating assets and liabilities:			
Trade receivables		(5.800)	(8.335)
Inventories		(76.856)	767
Other current assets and other receivables		(20.452)	7.871
Other non-current assets		1.865	3.899
Current trade payables		193.402	(114.415)
Other current payables and liabilities		6.818	(3.287)
Other non-current payables		(661)	60
Employment termination benefits paid	12	(10.225)	(10.453)
Unused vacation paid	11	(3.425)	(4.771)
Income taxes paid		(15.885)	(18.038)
Tax paid concerning prior periods		-	(13.094)
Compensations paid	11	(5.807)	(2.036)
Accrued interest		(1.364)	1.490
Net cash provided from operating activities of discontinued operations		-	7.219
Net cash provided from operating activities		347.323	146.878

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

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)
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	Notes	Not Reviewed 1 January - 30 September 2012	Not Reviewed 1 January - 30 September 2011
Investing activities:			
Purchase of investment property	5	(57)	(218)
Purchase of property, plant and equipment	6	(114.436)	(99.267)
Purchase of intangible assets	7	(7.074)	(4.898)
Proceeds from sale of property, plant and equipment		2.578	597
Cash received due to sale of subsidiary		-	595.153
Interest received		49.963	34.129
Net cash used in investing activities of discontinued operations		-	(6.299)
Net cash (provided from) / used in investing activities		(69.026)	519.197
Financing activities:			
Bank borrowings paid		(340)	(261.063)
Cash paid with respect to derivative instruments		(20.782)	(14.929)
Interest paid		(152.186)	(128.819)
Net cash used in financing activities of discontinued operations		-	-
Net cash used in financing activities		(173.308)	(404.811)
Cumulative translation adjustment		(947)	6.043
Net increase in cash and cash equivalents		104.042	267.307
Cash and cash equivalents at the beginning of the period		1.010.255	884.180
Cash and cash equivalents at the end of the period		1.114.297	1.151.487

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2012**

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

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NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

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

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

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

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

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

The Company is mainly engaged in the retail sales of food and beverages, consumer and durable goods through its Migros, 5M, Tansaş and Macrocenter banner stores in Turkey, shopping centers, Ramstores banner stores abroad and internet. The Company also rents floor space in the shopping malls to other trading companies. As of 30 September 2012, the Group operates 874 stores (31 December 2011: 745) with a net retail space of 849.547 (31 December 2011: 797.761) square meters. Retail is the main business of the Group and constitutes 96,7% of gross sales (September 2011: 96,3%).

The address of the registered office is as follows:

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

These consolidated financial statements have been approved for issue by the Board of Directors “(BOD)” on 14 November 2012 and signed by Ö.Özgür Tort, General Manager, and Erkin Yılmaz, Assistant General Manager, on behalf of the BOD. The owners of the Company have the power to amend the consolidated financial statements after the issue in the General Assembly meeting of the Company.

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MİGROS TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2012

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

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NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

Subsidiaries:

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

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

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

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.1 Financial Reporting Standards

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

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

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

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

2.1 Financial Reporting Standards (continued)

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

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

2.2 Summary of Significant Accounting Policies

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

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

2.2.1 Comparative Information and Restatement of Prior Period Financial Statements

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

2.2.2 Basis of Consolidation

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

2.3 Adoption of New and Revised Standards

a) New and Revised IFRSs affecting presentation and disclosure only

None.

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

None.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2012

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

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

2.3 Adoption of New and Revised Standards (continued)

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

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

Amendments to IAS 12 Deferred Taxes – Recovery of Underlying Assets

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

Amendments to IFRS 7 (Disclosures – Transfers of Financial Assets)

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

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

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

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

Amendments to IFRS 7	<i>Disclosures – Offsetting of Financial Assets and Financial Liabilities</i>
IFRS 9	<i>Financial Instruments</i>
IFRS 10	<i>Consolidated Financial Statements</i>
IFRS 11	<i>Joint Arrangements</i>
IFRS 12	<i>Disclosure of Interests in Other Entities</i>
IFRS 13	<i>Fair Value Measurement</i>
Amendments to IAS 1	<i>Presentation of Items of Other Comprehensive Income</i>
IAS 19 (as revised in 2011)	<i>Employee Benefits</i>
IAS 27 (as revised in 2011)	<i>Separate Financial Statement</i>
IAS 28 (as revised in 2011)	<i>Investments in Associates and Joint Ventures</i>
IFRIC 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i>
Amendments to IAS 32	<i>Financial Instruments: Presentation - Offsetting of Financial Assets and Financial Liabilities</i>
Annual Improvements 2009/2011 Cycle	<i>Amendments to IFRS1, IAS 1, IAS 16, IAS 32, IAS 34</i>

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

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

2.3 Adoption of New and Revised Standards (continued)

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

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

- IFRS 9 requires all recognized financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.
- The most significant effect of IFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under IFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

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

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

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

In June 2012, the IASB issued Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12). The transition guidance amends IFRS 10, 11 and 12 to provide additional transition relief in by limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Also, amendments to IFRS 11 and IFRS 12 eliminate the requirement to provide comparative information for periods prior to the immediately preceding period.

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

2.3 Adoption of New and Revised Standards (continued)

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

Key requirements of these five Standards are described below:

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

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

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

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

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

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

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

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

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

The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements.

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

2.3 Adoption of New and Revised Standards (continued)

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

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

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

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

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

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

Annual Improvements 2009/2011 Cycle

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

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

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

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NOTE 3 - SEGMENT REPORTING

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

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

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

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

	Turkey	Other countries	Combined total	Intersegment elimination	Total
External revenues	4.548.121	284.530	4.832.651	-	4.832.651
Inter segment revenues	1.764	-	1.764	(1.764)	-
Sales revenue	4.549.885	284.530	4.834.415	(1.764)	4.832.651
Cost of goods sold	(3.351.437)	(215.908)	(3.567.345)	1.764	(3.565.581)
Gross profit	1.198.448	68.622	1.267.070	-	1.267.070
Selling and marketing expenses	(853.294)	(39.560)	(892.854)	-	(892.854)
General administrative expenses	(147.731)	(20.397)	(168.128)	-	(168.128)
Addition: Depreciation and amortization	83.961	11.711	95.672	-	95.672
Addition: Employment termination benefits	1.091	-	1.091	-	1.091
Addition: Termination benefits paid	10.225	-	10.225	-	10.225
Addition: Unused vacation provision	6.857	-	6.857	-	6.857
EBITDA	299.557	20.376	319.933	-	319.933

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NOTE 3 - SEGMENT REPORTING (Continued)

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

	Turkey	Other countries	Combined total	Intersegment elimination	Total	Discontinued operations
External revenues	4.008.308	244.895	4.253.203	-	4.253.203	678.010
Inter segment revenues	2.288	-	2.288	(2.288)	-	-
Sales revenue	4.010.596	244.895	4.255.491	(2.288)	4.253.203	678.010
Cost of goods sold	(2.967.895)	(187.518)	(3.155.413)	2.288	(3.153.125)	(577.072)
Gross profit	1.042.701	57.377	1.100.078	-	1.100.078	100.938
Selling and marketing expenses	(725.246)	(32.832)	(758.078)	-	(758.078)	(155.635)
General administrative expenses	(134.794)	(19.941)	(154.735)	-	(154.735)	(11.398)
Addition: Depreciation and amortization	80.070	11.794	91.864	-	91.864	6.302
Addition: Employment termination benefits	907	-	907	-	907	(21)
Addition: Termination benefits paid	9.124	-	9.124	-	9.124	1.329
Addition: Unused vacation provision	6.816	-	6.816	-	6.816	707
Addition: One-off costs due to Şok stores concept change	-	-	-	-	-	8.400
EBITDA	279.578	16.398	295.976	-	295.976	(49.378)

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NOTE 3 - SEGMENT REPORTING (Continued)

c) Segment analysis for the period 1 July – 30 September 2012

	Turkey	Other countries	Combined total	Intersegment elimination	Total
External revenues	1.730.028	95.403	1.825.431	-	1.825.431
Inter segment revenues	632	-	632	(632)	-
Sales revenue	1.730.660	95.403	1.826.063	(632)	1.825.431
Cost of goods sold	(1.286.134)	(71.878)	(1.358.012)	632	(1.357.380)
Gross profit	444.526	23.525	468.051	-	468.051
Selling and marketing expenses	(310.554)	(13.940)	(324.494)	-	(324.494)
General administrative expenses	(49.586)	(6.585)	(56.171)	-	(56.171)
Addition: Depreciation and amortization	29.016	3.899	32.915	-	32.915
Addition: Employment termination benefits	(183)	-	(183)	-	(183)
Addition: Termination benefits paid	4.650	-	4.650	-	4.650
Addition: Unused vacation provision	(1.012)	-	(1.012)	-	(1.012)
EBITDA	116.857	6.899	123.756	-	123.756

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NOTE 3 - SEGMENT REPORTING (Continued)

d) Segment analysis for the period 1 July – 30 September 2011

	Turkey	Other countries	Combined total	Intersegment elimination	Total	Discontinued operations
External revenues	1.524.986	88.349	1.613.335	-	1.613.335	101.767
Inter segment revenues	244	-	244	(244)	-	-
Sales revenue	1.525.230	88.349	1.613.579	(244)	1.613.335	101.767
Cost of goods sold	(1.139.928)	(67.323)	(1.207.251)	244	(1.207.007)	(99.039)
Gross profit	385.302	21.026	406.328	-	406.328	2.728
Selling and marketing expenses	(262.841)	(11.314)	(274.155)	-	(274.155)	(26.679)
General administrative expenses	(45.559)	(7.608)	(53.167)	-	(53.167)	(2.116)
Addition: Depreciation and amortization	27.255	4.808	32.063	-	32.063	900
Addition: Employment termination benefits	95	-	95	-	95	(34)
Addition: Termination benefits paid	3.671	-	3.671	-	3.671	101
Addition: Unused vacation provision	2.834	-	2.834	-	2.834	600
Addition: One-off costs due to Şok stores concept change	-	-	-	-	-	-
EBITDA	110.757	6.912	117.669	-	117.669	(24.500)

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NOTE 3 - SEGMENT REPORTING (Continued)

Reconciliation of EBITDA with income before tax is as follows:

	1 January - 30 September 2012	1 July - 30 September 2012	1 January - 30 September 2011	1 July - 30 September 2011
EBITDA, reported segments	319.933	123.756	295.976	117.669
Depreciation and amortisation	(95.672)	(32.915)	(91.864)	(32.063)
Employment termination benefits	(1.091)	183	(907)	(95)
Termination benefits paid	(10.225)	(4.650)	(9.124)	(3.671)
Provision of unused vacation	(6.857)	1.012	(6.816)	(2.834)
Other operating income	6.186	1.188	6.630	859
Other operating expenses(-)	(25.228)	(5.034)	(18.908)	(2.110)
Operating profit	187.046	83.540	174.987	77.755
Financial income	197.229	(23.081)	174.240	48.659
Financial expenses(-)	(244.962)	(65.938)	(743.003)	(264.938)
Income / (loss) before tax	139.313	(5.479)	(393.776)	(138.524)

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NOTE 4 - DERIVATIVE FINANCIAL INSTRUMENTS

Current derivative financial instruments

Current liabilities	30 September 2012	31 December 2011
Currency collar contracts	462	-
Forward foreign exchange contracts	24.313	22.591
	24.775	22.591

Non-current derivative financial instruments

Non-current assets	30 September 2012	31 December 2011
Corridor options	-	40
Forward foreign exchange contracts	77	-
Cap option	23	3
	100	43

Non-current liabilities	30 September 2012	31 December 2011
Forward foreign exchange contracts	-	7.554
Interest rate swap contracts	18.148	5.791
	18.148	13.345

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

	EURO Amount to be purchased	TL Amount to be sold	Fair Value (TL)
Forward foreign exchange contracts	43.850	128.172	24.236

Current liabilities

Agreement Type	Transaction Date	Effective Date	Expiration Date	Derivative Instrument Amount (EUR)	Fair Value (TL)
Currency collar	2 July 2012	2 July 2012	29 November 2012	16 million	462
					462

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

Current assets

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

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NOTE 4 - DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Non-current assets

Agreement Type	Transaction Date	Effective Date	Expiration Date	Derivative Instrument Amount (EUR)	Fair Value (TL)
Cap	30 May 2012	31 May 2012	29 November 2013	212,5 million	23
					23

Non-current liabilities

Agreement Type	Transaction Date	Effective Date	Expiration Date	Derivative Instrument	Fair Value (TL)
Interest rate swap	6 October 2010	30 November 2011	29 November 2013	105 million	4.270
Interest rate swap	6 October 2010	31 May 2011	30 November 2013	105 million	7.681
Interest rate swap	6 October 2010	31 May 2011	29 November 2013	53 million	1.964
Interest rate swap	6 October 2010	30 November 2011	30 November 2013	53 million	4.233
					18.148

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

	EURO Amount to be purchased	TL Amount to be sold	Fair Value (TL)
Forward foreign exchange contracts	46.140	151.540	30.145

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

Non-current assets

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

Non-current liabilities

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

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NOTE 5 - INVESTMENT PROPERTY

	Opening 1 January 2012	Additions	Transfers	Cumulative translation differences	Closing 30 September 2012
<u>Cost</u>					
Land and buildings	71.979	57	-	(2.251)	69.785
<u>Accumulated depreciation</u>					
Buildings	(20.614)	(3.356)	-	277	(23.693)
Net book value	51.365				46.092

	Opening 1 January 2011	Additions	Transfers	Cumulative translation differences	Closing 30 September 2011
<u>Cost</u>					
Land and buildings	67.229	218	-	4.879	72.326
<u>Accumulated depreciation</u>					
Buildings	(15.036)	(3.750)	-	(622)	(19.408)
Net book value	52.193				52.918

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

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

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

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NOTE 6 - PROPERTY, PLANT AND EQUIPMENT

	Opening 1 January 2012	Additions	Disposals	Impairment loss (*)	Transfers	Cumulative translation differences	Closing 30 September 2012
Cost							
Land and buildings	455.747	1.354	-	-	46	(2.914)	454.233
Leasehold improvements	425.670	20.864	-	(9.584)	10.242	(1.339)	445.853
Machinery and equipments	330.621	33.386	(5.252)	-	18.725	(2.009)	375.471
Vehicles	2.736	347	(1.409)	-	-	(36)	1.638
Furniture and fixture	170.053	18.201	(1.788)	-	3.555	(759)	189.262
Construction in progress	3.210	40.284	-	-	(32.568)	-	10.926
	1.388.037	114.436	(8.449)	(9.584)	-	(7.057)	1.477.383
Accumulated depreciation							
Buildings	(27.918)	(6.379)	-	-	-	427	(33.870)
Leasehold improvements	(124.215)	(30.705)	-	5.888	-	201	(148.831)
Machinery and equipments	(74.075)	(31.875)	5.158	-	-	754	(100.038)
Vehicles	(878)	(244)	486	-	-	127	(509)
Furniture and fixture	(42.070)	(13.160)	1.589	-	-	575	(53.066)
	(269.156)	(82.363)	7.233	5.888	-	2.084	(336.314)
Net book value	1.118.881						1.141.069

(*) Impairment loss amounted to net TL 3.696 consists of leasehold improvements of stores closed in 2012.

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NOTE 6 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	Opening 1 January 2011	Additions	Disposals	Impairment loss (*)	Transfers	Disposals from sale of a subsidiary (**)	Cumulative translation differences	Closing 30 September 2011
Cost								
Land and buildings	471.028	893	-	-	20.714	(25.978)	9.160	475.817
Leasehold improvements	454.066	20.707	-	(11.426)	10.977	(63.314)	3.085	414.095
Machinery and equipments	345.138	24.511	(2.752)	-	7.312	(87.359)	3.994	290.844
Vehicles	2.778	26	(44)	-	6.483	(188)	99	9.154
Furniture and fixture	157.248	12.514	(1.166)	-	-	(17.468)	3.133	154.261
Construction in progress	8.110	46.915	-	-	(45.486)	(77)	15	9.477
	1.438.368	105.566	(3.962)	(11.426)	-	(194.384)	19.486	1.353.648
Accumulated depreciation								
Buildings	(26.170)	(6.698)	-	-	-	5.171	(645)	(28.342)
Leasehold improvements	(119.063)	(34.790)	-	5.827	-	28.878	(1.841)	(120.989)
Machinery and equipments	(65.931)	(32.110)	2.647	-	-	28.906	(1.601)	(68.089)
Vehicles	(463)	(360)	-	-	-	101	(32)	(754)
Furniture and fixture	(32.850)	(11.615)	1.146	-	-	7.099	(2.538)	(38.758)
	(244.477)	(85.573)	3.793	5.827	-	70.155	(6.657)	(256.932)
Net book value	1.193.891							1.096.716

(*) Impairment loss amounted to net TL 5.599 consists of leasehold improvements of stores closed in 2011.

(**) Disposals from the sale of subsidiary is related with the Group’s sales of Azerbaijan Ramstore and Şok Marketler Ticaret A.Ş. stores.

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NOTE 7 - INTANGIBLE ASSETS

	Opening 1 January 2012	Additions	Disposals	Disposals from sale of a subsidiary	Cumulative translation difference	Closing 30 September 2012
Cost						
Trademark (*)	202.175	-	-	-	-	202.175
Rent agreements (**)	32.982	-	-	-	-	32.982
Rights	29.105	7.074	-	-	(85)	36.094
Other intangible assets (***)	28.783	-	-	-	-	28.783
	293.045	7.074	-	-	(85)	300.034
Accumulated amortisation						
Rent agreements	(20.134)	(2.487)	-	-	-	(22.621)
Rights	(13.547)	(4.315)	-	-	(66)	(17.928)
Other intangible assets	(9.094)	(3.151)	-	-	-	(12.245)
	(42.775)	(9.953)	-	-	(66)	(52.794)
Net book value	250.270					247.240
	Opening 1 January 2011	Additions	Disposals	Disposals from sale of a subsidiary	Cumulative translation difference	Closing 30 September 2011
Cost						
Trademark (*)	253.068	-	-	(50.893)	-	202.175
Rent agreements (**)	32.982	-	-	-	-	32.982
Rights	20.975	4.898	(295)	(1.519)	332	24.391
Other intangible assets (***)	28.783	-	-	-	-	28.783
	335.808	4.898	(295)	(52.412)	332	288.331
Accumulated amortisation						
Rent agreements	(15.626)	(3.381)	-	-	-	(19.007)
Rights	(9.007)	(3.445)	293	553	(97)	(11.703)
Other intangible assets	(6.389)	(2.017)	-	-	-	(8.406)
	(31.022)	(8.843)	293	553	(97)	(39.116)
Net book value	304.786					249.215

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NOTE 7 - INTANGIBLE ASSETS (Continued)

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

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

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

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

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

NOTE 8 - INVENTORIES

	30 September 2012	31 December 2011
Raw materials	1.804	1.589
Work in progress	8.152	5.919
Merchandise stocks	743.077	667.851
Other	2.823	3.641
	755.856	679.000

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

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NOTE 9 – GOODWILL

Goodwill movement in the accounting periods is as follows:

	1 January - 30 September 2012	1 January - 30 September 2011
Opening balance	2.251.427	2.251.427
Closing balance	2.251.427	2.251.427

NOTE 10 – FINANCIAL LIABILITIES

	30 September 2012		Total TL equivalent
	Weighted average interest rate	Euro	
Current financial liabilities			
Current portion of long-term bank borrowings			
- with fixed interest rates	2,00%	133	307
- with floating interest rates	4,90%	18.351	42.363
Total current bank borrowings		18.484	42.670
Non-current financial liabilities			
Non-current bank borrowings			
- with fixed interest rates	2,00%	496	1.146
- with floating interest rates	4,90%	1.052.681	2.430.114
Non-current bank borrowings		1.053.177	2.431.260
Total financial liabilities		1.071.661	2.473.930

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

	Euro	TL
1 October 2013 - 30 September 2014	140.022	323.241
1 October 2014 - 30 September 2015	163.957	378.495
1 October 2015 - 30 September 2016	234.171	540.584
1 October 2016 - 30 September 2017	234.171	540.584
1 October 2017 - 31 May 2018	280.856	648.356
	1.053.177	2.431.260

The fair value of bank borrowings at 30 September 2012 is TL 2.445.921.

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NOTE 10 – FINANCIAL LIABILITIES (Continued)

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

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

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

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

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

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NOTE 11 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

	30 September 2012	31 December 2011
Provision for litigation	20.977	19.460
Provision for unused vacation	40.902	34.045
Total current provisions	61.879	53.505

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

Movement of provision for lawsuits as follows:

1 January 2011	16.632
Increase during the period	3.789
Payments during the period	(2.036)
30 September 2011	18.385
1 January 2012	19.460
Increase during the period	7.324
Payments during the period	(5.807)
30 September 2012	20.977

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

1 January 2011	31.565
Increase during the period	12.294
Payments during the period	(4.771)
Disposals from sale of subsidiary	(7.020)
30 September 2011	32.068
1 January 2012	34.045
Increase during the period	10.282
Payments during the period	(3.425)
30 September 2012	40.902

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

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

Collaterals, Pledges, Mortgages:

30 September 2012				
Collaterals, Pledges, Mortgages:	Total TL Amount	TL	USD	Euro
A. CPM given on behalf of the Company's legal personality	64.129	63.551	292	25
B. CPM given on behalf of fully consolidated subsidiaries	-	-	-	-
C. CPM given for continuation of its economic activities on behalf of third parties	-	-	-	-
D. Total amount of other CPM	-	-	-	-
i. Total amount of CPM given on behalf of the majority shareholder	-	-	-	-
ii. Total amount of CPM given to on behalf of other group companies which are not in scope of B and C	-	-	-	-
iii. Total amount of CPM given on behalf of third parties which are not in scope of C	-	-	-	-
Total Collaterals, Pledges, Mortgages	64.129	63.551	292	25
Proportion of other CRM's to equity	0,0%			
31 December 2011				
Collaterals, Pledges, Mortgages:	Total TL Amount	TL	USD	Euro
A. CPM given on behalf of the Company's legal personality	56.872	55.919	472	25
B. CPM given on behalf of fully consolidated subsidiaries	-	-	-	-
C. CPM given for continuation of its economic activities on behalf of third parties	-	-	-	-
D. Total amount of other CPM	-	-	-	-
i. Total amount of CPM given on behalf of the majority shareholder	-	-	-	-
ii. Total amount of CPM given to on behalf of other group companies which are not in scope of B and C	-	-	-	-
iii. Total amount of CPM given on behalf of third parties which are not in scope of C	-	-	-	-
Total Collaterals, Pledges, Mortgages	56.872	55.919	472	25
Proportion of other CRM's to equity	0,0%			

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

Collaterals, Pledges, Mortgages (continued):

Contingent assets and liabilities:

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

	30 September 2012	31 December 2011
Letter of guarantees given	64.129	56.872

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

	30 September 2012	31 December 2011
Guarantees obtained from customers	110.770	92.019
Mortgages obtained from customers	17.407	17.072
	128.177	109.091

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

	30 September 2012	31 December 2011
Payable within 1 year	22.332	21.688
Payable in 1 to 5 years	11.082	7.977
5 years and more	2.628	3.597
	36.042	33.262

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

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

Although the mentioned case concluded in favor of the Company on October 3, the claimant has the right to request an appeal.

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NOTE 12 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS

	30 September 2012	31 December 2011
Provision for employee termination benefits	11.607	10.516

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

1 January 2011	10.269
Increase during the period	11.440
Payments during the period	(10.453)
Actuarial loss	(101)
Disposals from sale of subsidiary	(538)
30 September 2011	10.617
1 January 2012	10.516
Increase during the period	12.358
Payments during the period	(10.225)
Actuarial loss	(1.042)
30 September 2012	11.607

NOTE 13 - REVENUE AND COST OF SALES

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

	1 January- 30 September 2012	1 July- 30 September 2012	1 January- 30 September 2011	1 July- 30 September 2011
Domestic sales	4.685.104	1.780.135	4.120.753	1.565.797
Foreign sales	283.868	94.526	245.477	88.587
	4.968.972	1.874.661	4.366.230	1.654.384
Other sales	6.390	2.519	5.285	2.253
	4.975.362	1.877.180	4.371.515	1.656.637
Less: Discounts and returns	(142.711)	(51.749)	(118.312)	(43.302)
Sales revenue - net	4.832.651	1.825.431	4.253.203	1.613.335
Cost of sales	(3.565.581)	(1.357.380)	(3.153.125)	(1.207.007)
Gross Profit	1.267.070	468.051	1.100.078	406.328

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NOTE 13 - REVENUE AND COST OF SALES (Continued)

	1 January- 30 September 2012	1 July- 30 September 2012	1 January- 30 September 2011	1 July- 30 September 2011
Retail sales revenue	4.802.586	1.803.759	4.202.875	1.591.761
Rent income	57.770	19.539	73.955	22.042
Wholesale revenue	108.616	51.363	89.400	40.581
	4.968.972	1.874.661	4.366.230	1.654.384

NOTE 14 - EXPENSES BY NATURE

Total	1 January- 30 September 2012	1 July- 30 September 2012	1 January- 30 September 2011	1 July- 30 September 2011
Staff costs	420.067	146.672	353.241	124.324
Rent	214.469	76.913	178.799	64.718
Porterage and cleaning	30.919	12.116	25.472	9.130
Transportation	46.646	17.559	42.324	15.935
Depreciation and amortisation	95.672	32.915	91.864	32.063
Energy	80.802	33.664	67.728	26.311
Advertising	34.780	12.863	32.474	13.268
Repair and maintenance	16.022	5.357	14.820	5.535
Security	13.355	4.953	11.486	3.873
Warehouse	26.579	9.340	23.902	6.785
Taxes and other fees	6.735	1.950	6.177	720
Mechanisation	10.026	3.324	7.254	2.702
Communication	5.348	1.729	5.186	2.110
Other	59.562	21.310	52.086	19.848
	1.060.982	380.665	912.813	327.322

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NOTE 14 - EXPENSES BY NATURE (Continued)

	1 January- 30 September 2012	1 July- 30 September 2012	1 January- 30 September 2011	1 July- 30 September 2011
Marketing, selling and distribution expenses				
Staff costs	362.748	128.446	302.552	107.285
Rent	214.118	76.796	178.752	64.706
Porterage and cleaning	30.067	11.819	24.856	8.926
Transportation	46.614	17.683	42.301	16.000
Energy	79.900	33.343	67.102	26.072
Advertising	34.771	12.854	32.474	13.268
Repair and maintenance	15.638	5.196	14.510	5.410
Security	12.846	4.732	11.192	3.755
Warehouse	26.579	9.340	23.902	6.785
Taxes and other fees	5.973	1.679	5.273	749
Mechanisation	8.831	2.787	6.165	2.052
Communication	4.491	1.431	4.009	1.674
Other	50.278	18.388	44.990	17.473
	892.854	324.494	758.078	274.155
General administrative expenses				
Staff costs	57.319	18.226	50.689	17.039
Depreciation and amortisation	95.672	32.915	91.864	32.063
Other	15.137	5.030	12.182	4.065
	168.128	56.171	154.735	53.167

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

	1 January- 30 September 2012	1 July- 30 September 2012	1 January- 30 September 2011	1 July- 30 September 2011
Cost of trade goods	(3.547.516)	(1.350.531)	(3.123.282)	(1.201.968)
Service costs	(18.065)	(6.849)	(29.843)	(5.039)
	(3.565.581)	(1.357.380)	(3.153.125)	(1.207.007)

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

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NOTE 15 - OTHER OPERATING INCOME / EXPENSE

	1 January- 30 September 2012	1 July- 30 September 2012	1 January- 30 September 2011	1 July- 30 September 2011
Other operating income:				
Gain on sales of scrap goods	483	51	1.096	673
Provision write-off	214	112	1.152	35
Gain on sales of property, plant and equipment	1.708	569	593	(184)
Gain on damage insurance	1.515	74	240	47
Other	2.266	382	3.549	288
	6.186	1.188	6.630	859

	1 January- 30 September 2012	1 July- 30 September 2012	1 January- 30 September 2011	1 July- 30 September 2011
Other operating expenses:				
Losses from closed stores	(3.696)	(199)	(3.783)	1.182
Bad debt expense	(1.453)	(973)	(1.048)	(520)
Paid lawsuit expenses	(5.807)	(1.726)	(2.036)	(194)
Litigation provisions	(1.518)	(583)	(1.753)	1.015
Loss on sale of fixed assets	(346)	(66)	(165)	(53)
Losses from prior period rent differences	(7.750)	(1.086)	(2.880)	(618)
Other	(4.658)	(401)	(7.243)	(2.922)
	(25.228)	(5.034)	(18.908)	(2.110)

NOTE 16 - FINANCIAL INCOME

	1 January- 30 September 2012	1 July- 30 September 2012	1 January- 30 September 2011	1 July- 30 September 2011
Interest income on bank deposits	29.119	9.227	22.752	10.822
Foreign exchange gains	142.722	(36.038)	84.823	33.154
Financial income on derivatives	5.908	(2.059)	53.582	(296)
Due date charges on term sales	19.480	5.789	12.867	4.974
Other	-	-	216	5
	197.229	(23.081)	174.240	48.659

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NOTE 17 - FINANCIAL EXPENSE

	1 January- 30 September 2012	1 July- 30 September 2012	1 January- 30 September 2011	1 July- 30 September 2011
Due date difference on term purchases	(79.148)	(28.550)	(50.424)	(19.940)
Foreign exchange losses	(26.108)	6.002	(536.256)	(188.483)
Interest expense on bank borrowings	(102.269)	(32.231)	(120.578)	(44.921)
Financial expense on derivatives	(33.620)	(9.826)	(30.229)	(8.085)
Other	(3.817)	(1.333)	(5.516)	(3.509)
	(244.962)	(65.938)	(743.003)	(264.938)

NOTE 18 - TAXES ON INCOME

	30 September 2012	31 December 2011
Taxes and fund payable	23.700	115.691
Less: Prepaid current income taxes	(13.364)	(113.170)
Taxes on income, net	10.336	2.521
	30 September 2012	31 December 2011
Deferred tax assets	26.241	25.558
Deferred tax liabilities	(130.155)	(130.904)
	(103.914)	(105.346)

The Group is subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated change based on the Group results for the period. Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, tax liabilities, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

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

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

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

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

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NOTE 18 - TAXES ON INCOME (Continued)

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

	1 January- 30 September 2012	1 July- 30 September 2012	1 January- 30 September 2011	1 July- 30 September 2011
Current period tax expense	(23.700)	(13.009)	(34.829)	(13.856)
Deferred tax income / (expense)	1.483	1.107	(5.209)	868
	(22.217)	(11.902)	(40.038)	(12.988)

Income withholding tax

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

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

Deferred income taxes

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

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NOTE 18 - TAXES ON INCOME (Continued)

Deferred income taxes (continued)

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

	Cumulative temporary differences		Deferred tax	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
Fair value change of derivative instruments	42.923	35.936	8.584	7.187
Expense accruals and provisions	61.879	53.504	12.376	10.701
Inventories	13.285	16.038	2.657	3.208
Provision for employment termination benefits	11.607	10.516	2.321	2.103
Unincurred interest income	278	328	56	66
Other	1.207	11.466	247	2.293
Deferred income tax assets			26.241	25.558
Fair value change of derivative instruments	100	43	20	9
Property, plant and equipment and intangible assets	673.122	664.118	127.278	125.360
Unincurred interest expense	11.784	15.699	2.357	3.140
Other	2.502	11.975	500	2.395
Deferred income tax liability			130.155	130.904
Total deferred income tax liability, net			(103.914)	(105.346)
			30 September 2012	31 December 2011
Deferred income tax assets:				
Deferred income tax asset to be recovered after more than 12 months			5.936	4.772
Deferred income tax asset to be recovered within 12 months			20.305	20.786
			26.241	25.558
Deferred income tax liabilities:				
Deferred income tax liability to be settled after more than 12 months			(127.282)	(125.369)
Deferred income tax liability to be settled within 12 months			(2.873)	(5.535)
			(130.155)	(130.904)
Deferred tax liabilities, net			(103.914)	(105.346)

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NOTE 18 - TAXES ON INCOME (Continued)

Deferred income taxes (continued)

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

	Deferred income tax liabilities
1 January 2011	(118.411)
Deferred tax expense from continuing operations	(5.209)
Disposal from sale of subsidiary	8.851
Cumulative translation difference	(862)
30 September 2011	(115.631)
1 January 2012	(105.346)
Deferred tax income from continuing operations	1.483
Cumulative translation difference	(51)
30 September 2012	(103.914)

NOTE 19 - EQUITY

Share Capital

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

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

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

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NOTE 20 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

(i) Balances with related parties

Due from related parties	30 September 2012	31 December 2011
Mavi Jeans Giyim Sanayi ve Tic. A.Ş.	17	4
Tekin Acar Büyük Mağazacılık T.A.Ş.	8	6
Koton Mazağacılık Tekstil San. ve Tic. A.Ş.	40	-
Provus Bilişim Hizmetleri A.Ş.	9	-
Sanal Merkez T.A.Ş.	16	-
Total due from related parties	90	10
Due to related parties	30 September 2012	31 December 2011
Natura Gıda San. Tic. ve A.Ş.	1.545	-
Sanal Merkez T.A.Ş.	-	226
Other	1.134	1.139
Total due to related parties	2.679	1.365

ii) Transactions with related parties

	1 January- 30 September 2012	1 July- 30 September 2012	1 January- 30 September 2011	1 July- 30 September 2011
Non-current asset purchase				
Sanal Merkez T.A.Ş.	-	-	3	1
	-	-	3	1
Service purchase				
Sanal Merkez T.A.Ş.	-	-	1	-
	-	-	1	-

iii) Other transactions with related parties are as follows

	1 January- 30 September 2012	1 July- 30 September 2012	1 January- 30 September 2011	1 July- 30 September 2011
Rent income	977	695	676	100
	977	695	676	100

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

Key management compensation

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

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

	1 January- 30 September 2012	1 July- 30 September 2012	1 January- 30 September 2011	1 July- 30 September 2011
Benefits provided to key management	8.873	2.960	10.242	3.000
	8.873	2.960	10.242	3.000

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

NOTE 21 - EARNINGS / (LOSS) PER SHARE

	1 January- 30 September 2012	1 July- 30 September 2012	1 January- 30 September 2011	1 July- 30 September 2011
Net income / (loss) attributable to the shareholders	117.039	(17.399)	(235.708)	91.308
Weighted average number of sales with Kr1 face value each ('000)	17.803.000	17.803.000	17.803.000	17.803.000
Earnings / (loss) per share (Kr)	0,66	(0,10)	(1,32)	0,51

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

NOTE 22 - EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION

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

At 30 September 2012, if Euro had appreciated against TL by 5% and all other variables had remained constant, the profit for the period before tax as a result of foreign exchange rate difference arising out of assets and liabilities denominated in Euro would have been less in the amount of TL 103.108.

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

	30 September 2012			
	Total TL equivalent	Original Currencies		Other TL equivalent
		USD	EURO	
Assets:				
Cash and cash equivalents	430.895	380	179.606	15.596
Trade receivables	4.501	363	-	3.853
Other current assets	6.050	1.517	-	3.343
Current assets	441.446	2.260	179.606	22.792
Other non-current assets	-	-	-	-
Non-current assets	-	-	-	-
Total assets	441.446	2.260	179.606	22.792
Current financial liabilities	42.670	-	18.484	-
Trade payables (net)	3.743	673	66	2.390
Other current liabilities	4.810	555	23	3.766
Current liabilities	51.223	1.228	18.573	6.156
Non-current financial liabilities	2.431.260	-	1.053.177	-
Other long-term liabilities	2.636	-	1.142	-
Non-current liabilities	2.433.896	-	1.054.319	-
Total liabilities	2.485.119	1.228	1.072.892	6.156
Net balance sheet foreign currency position	(2.043.673)	1.032	(893.286)	16.636
Net asset / liability position of				
off-balance sheet derivatives (A-B)	-	-	-	-
A. Total foreign currency amount of				
off-balance sheet derivative financial assets	-	-	-	-
B. Total foreign currency amount of				
off-balance sheet derivative financial liabilities	-	-	-	-
Net foreign currency position	(2.043.673)	1.032	(893.286)	16.636
Export	-	-	-	-
Import	53.849	30.016	-	-
Fair value of hedged funds of foreign currency	24.236	-	-	-
Hedge amount of foreign currency assets	-	-	-	-
Hedged amount of foreign currency liabilities	101.228	-	43.850	-

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

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

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

30 September 2012

	Gain / Loss	
	Foreign exchange appreciation	Foreign exchange depreciation
5% change in Euro Exchange rate		
Euro net asset / liability	(103.108)	103.108
Portion secured from Euro risk	-	-
Euro net effect	(103.108)	103.108

31 December 2011

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

NOTE 23 - FINANCIAL INSTRUMENTS

Fair value estimation

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

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

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

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

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NOTE 24 - MERGER OF ENTERPRISES SUBJECT TO COMMON CONTROL

In accordance with the decision adopted during Migros Türk’s general assembly held on 28 April 2009, Migros Türk has decided to merge with Moonlight through a takeover of its assets and liabilities as a whole within the framework of Capital Markets Board (“CMB”) requirements, Turkish Commercial Code, Law No. 451, and other related articles and Corporate Tax Law No. 19-20. As a result of the mentioned merger, it has been decided to increase Moonlight’s capital from TL 174.323.340 to TL178.030.000 (Amounts expressed in Turkish Lira (“TL”)) and also in accordance with the merger agreement approved during the General Assembly, merger ratio of 0,97918 and share exchange ratio of 1,00 has been identified. As a result of the merger, registered shares amounting to TL 3.706.660 (Amounts expressed in Turkish Lira (“TL”)) issued by Moonlight have been distributed to the shareholders of Migros Türk other than Moonlight in exchange for their Migros Türk shares.

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

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

NOTE 25 - SUBSEQUENT EVENTS

None.

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

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

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

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

	1 January- 30 September 2011	1 July- 30 September 2011
Revenue (net)	678.010	101.767
Cost of sales (-)	(577.072)	(99.039)
Marketing, selling and distribution expenses (-)	(155.635)	(26.679)
General administrative expenses (-)	(11.398)	(2.116)
Financial income	2.365	351
Financial expenses (-)	(10.058)	(1.973)
Other expenses (-)	(6.481)	(6.481)
Loss before tax	(80.269)	(34.170)
Tax income / (expense)	148	(277)
Net loss from discontinued operations before the gain from sale of subsidiary	(80.121)	(34.447)
Gain on sales of subsidiary	347.434	346.441
Sales profit tax expense	(69.257)	(69.257)
Net profit	198.056	242.737